India

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NOTES AND NEWS.

SIR HENRY FOWLER'S motion "that a humble address be presented to her Majesty praying that her Majesty will be pleased to disallow the Indian Tariff Act, 1899," was rejected in the House of Commons yesterday week by a majority of 141 votes (293—152). The *Times* remarked that this was a majority of nearly two to one, "a majority larger than the Government can command on a strict party vote." The remark was misleading. What matters, as everybody knows, is not the ratio between the "ayes" and the "noes"—a thing which varies accidentally according to the number of pairs—but the actual number of the majority. The vote was as strictly a party vote as the Government could make it. The motion was officially described as a vote of censure, the supporters of the Government were entreated to abandon amendments and vote on the issue of confidence, and the party Whips were tellers in the division. An examination of the division-list shows how obedient the Ministerialists were to the party lash. Only three Unionists —Mr. Maclean, Mr. Courtney, and Mr. James Kenyon— voted with Sir Henry Fowler. The supporters of the motion were drawn not less exclusively from the Opposition, though some Liberal members whose names one would expect to see among the "ayes" either abstained from voting or paired. Among the supporters of Sir Henry Fowler were Mr. Asquith, Mr. Bryce, Sir H. Campbell-Bannerman, Sir Edward Grey, Mr. John Morley, Mr. C. P. Scott, Mr. Robinson Souttar, and Sir William Wedderburn.

We deal at length on another page with what appears to us to be the most important feature of the debate—namely, the light it throws upon the hypocrisy of the system under which India is governed. In India the Viceroy's Council (as to the character and composition of which both Sir Henry Fowler and Mr. Courtney had something important to say) is seen to be an additional wing of the India Office. Its subserviency is conveniently described as "independence" by the Secretary of State whose mandate it is fulfilling. In Parliament, on the other hand, the Secretary of State is shielded from real responsibility partly because his salary does not come on the Estimates, partly because criticism of his policy is described by the Government as a motion of censure and the whole strength of the official majority is employed to resist it. That is the sort of incident which shows the hollowness of the maxim, beloved of the Front Benches, that "Indian questions are not party questions." The remarks made by Lord George Hamilton and Mr. Chamberlain upon Indian public opinion are also worth noting. "The only persons," Mr. Chamberlain said, "who are authorised or are in any way qualified to represent Indian opinion" are "the Indian Native Press, the English Press of India, the Council for India in this country, and the Legislative Council in India." Observe that Mr. Chamberlain places the Indian Native Press first. The importance attached by the official speakers to Indian opinion on this occasion is decidedly valuable; for they must not hereafter be permitted to say that Indian opinion is contemptible except when it echoes their own. Lord George Hamilton's violent attack upon British rule in India ("our government never will be popular in India") was foolish enough. But it is well that he should say what he thinks; and it ought not to be too much to ask that he should consider whether, so far as his own administration is concerned, he cannot remove some of the ingredients which cause him to expect permanent unpopularity.

We printed last week (p. 297) the telegram sent by the British Committee of the Indian National Congress to Mr. R. P. Paranjpye, congratulating him upon his being bracketed Senior Wrangler. Mr. Paranjpye has sent the following acknowledgment:—

St. John's College, Cambridge,
June 13, 1899.

Dear Sir William,

Please accept my most sincere thanks for your kind telegram which I received this morning congratulating me on my success both on behalf of yourself and the British Committee of the Indian National Congress. You will, I hope, pardon a little exultation on my part when I see that I have been favourably noticed by you and your colleagues of the British Committee whom I regard as the greatest benefactors of my country. I still feel the same enthusiasm for the Congress which I felt when it met in Poona in 1895, on which occasion I had the honour to act as a volunteer.

When at the Fergusson College, Poona, I had the impression that Indian students can successfully compete with English students on their own ground, and if my little success proves in any way instrumental in inducing Indian students to come and study at the English Universities I shall feel amply rewarded.—Thanking you again, yours sincerely, R. P. Paranjpye.

Sir William Wedderburn, Chairman,
British Committee, Indian National Congress, London.

On Tuesday evening last a dinner was given in honour of Mr. Paranjpye at Cambridge. The Master of St. John's, proposing the health of the Senior Wrangler, said that never before had the Cambridge honours-list so reflected the unity and diversity of the Empire.

Mr. Paranjpye, in reply, spoke of his indebtedness to his cousin, who gave him at the age of ten the English alphabet to learn. If it had not been for that he might probably have been ploughing fields just as his father and elder brothers were. He was going back to India to help Indians in prosecuting their studies. The fact that his Hindu, his Mahometan, and his Parsee friends, not to omit his Christian friends, had joined so heartily in congratulating him showed that caste was disappearing, and that the good day for India was not far off. (Cheers.)

Among the other toasts was "The Poona Fergusson College."

It was anticipated that the clamant grievances of the Indians in the Transvaal would be discussed by Sir Alfred Milner and President Kruger at Bloemfontein. The British Indians residing in the South African Republic had prepared another Memorial to Mr. Chamberlain, but, in view of the correspondence between Sir William Wedderburn and the Colonial Secretary, they left it in the hands of the British Agent at Pretoria pending the Conference. Replying on Feb. 15 to Sir William Wedderburn's letter of Jan. 13, Mr. Chamberlain referred to the admitted "difficulty of dealing satisfactorily with the case," and went on to say:—

But Sir Alfred Milner is prepared, on his arrival at Capetown, to take up the question, and to endeavour to arrive at some arrangement of a favourable character to the Indian traders. In the meantime the Government of the South African Republic have suspended the notice for the removal of Asiatics to locations on the 1st instant.

What, then, has Sir Alfred Milner done in the matter? The question does not appear to have been so much as mentioned at Bloemfontein, although, as Mr. M. K. Gandhi urges, the grievances of the Uitlanders, which were alone considered (though in a limited way), "are insignificant compared to those of the British Indians in the Transvaal as well as other parts of South Africa."

Not only does it appear that nothing has been done for the British Indians since Sir Alfred Milner's arrival at Capetown, whether at the Bloemfontein Conference or otherwise; it also appears from a Government Notice dated April 25 that "Coolies, Arabs, and other Asiatics,

who now still do business outside the streets, wards, and locations pointed out for that purpose," will not have their licences renewed after July 1 unless they remove as ordered. There are certain provisions for temporizing, it is true; but then every case will fall to be dealt with by officials who will not be disposed to soften the rigour of the Notice. Any "Coolie, Arab, or other Asiatic," therefore, trading outside the specific locations will be liable, after July 1, to "be punished according to law." The suspension of the Notice of November 18, 1898, to which Mr. Chamberlain pointed as a ground for patience, is no longer operative. Accordingly, in spite of Mr. Chamberlain's representations, these fellow-subjects of ours are to have their businesses broken up, and are to be "forced," as the late British Agent put it, "into a small location on a spot used as a place to deposit the refuse of the town, without any water except polluted soakage in the gully between the location and the town," which "must inevitably result in malignant fevers and other diseases breaking out amongst them, whereby their lives and the health of the community in the town would be endangered." Here is a very fine illustration of the glory and the advantage of Imperialism.

Of course, nobody would ever contend that the Government of the Republic is not entitled to take stringent measures against unsanitary conditions. The memorialists are quite clear on the point: they deny that they are unsanitary as alleged, and they affirm that they are ready to accept even more stringent sanitary conditions than are now in force—that is, not directed specially against them, but as applied to the whole community. Thus, they say:

> Even at the time of the recent plague scare, so far as your memorialists are aware, there was nothing of a serious nature to be found against them. It is not contended that there are no Indians in the Transvaal over whom sanitary supervision is necessary; but your memorialists do submit, without fear of contradiction, that a charge justifying the wholesale removal of Indians to a location cannot be brought home to them. Your memorialists submit that isolated cases of insanitation could be effectively dealt with under the sanitary regulations, and your memorialists could have no objection to such regulations being made stricter if necessary.

This declaration seems to meet the case fairly and conclusively. Further, the memorialists contend rightly that the Government "should prove to the satisfaction of her Majesty's Government that sanitary reasons exist for the removal of the persons affected by the law, and that those reasons, and those alone, guide their action, before they could summarily remove such persons to locations." The Government based their law expressly on "sanitary reasons," and therefore "sanitary reasons" ought to be proved in every particular case before relegation. Once more, the Government ought to prove "that your memorialists are the persons referred to in the law." That would be tolerably difficult, seeing that the law speaks only of "aboriginal races of Asia, among whom are comprehended the so-called coolies, Arabs, Malays, and Mahometan subjects of the Turkish Empire;" and the memorialists emphatically deny that they come under any one of these classes.

Another petition, by Mr. John Frazer Parker, who owns house property in Pretoria, let out to Indians and Cape Boys, shows not only the unreasonableness and injustice of the treatment of the British Indians, but also the hardship that will be inflicted on Englishmen in a like position with himself. He repudiates the allegations of unsanitary habits alleged against British-Indians, and he confirms the late British Agent's description of the filthy location to which they are to be relegated. He freely admits, indeed, "that if even one-fourth of the charges brought against the unfortunate Indian traders were true, his interests would have to give way before those of the social body at large." But then they are not true.

> In your Petitioner's humble opinion, it is the fact of a person being a British subject that renders such a person liable to disabilities in the Transvaal which he would not otherwise be subjected to. The Indian subjects of the King of Portugal are free to hold licences and to enjoy the rights commonly enjoyed by the other residents in the Transvaal.

So that it is better, in the Transvaal, to be a subject of little Portugal than a subject of the Empire "on which the sun never sets."

In our issue of May 5 (p. 218), we reproduced a number of the most important heads of complaint enumerated by a correspondent of the *Times* (May 2) on behalf of the Uitlanders of the Transvaal, and we applied these complaints to the case of the Indians in India, with the remark that "if they could justly be made, not by Uitlanders, but by people in their own country, against alien masters, the case would be very much stronger." In the *Vossische Zeitung* of May 20, Dr. Karl Blind reproduces our argument in the course of an article on "England and the South African Republic," and remarks:

> We are by no means inclined to question that England in the process of time has done important service in the advancement and civilisation of India. Nothing worse could happen than that her rule should be overthrown, say by Russia. But the above points serve to suggest to the honest reader that the present enemies of the South African Republic should look to their own record.

But self-examination is the last thing to be expected from a people whose minds are so thoroughly objective, and so thoroughly self-satisfied.

The *Friend of India* notes the difference in the treatment of India and of the self-governing colonies by the mother country. The wishes and protests of the former go for very little, but the action of the latter against the taxation of colonial wines has resulted in their exemption from the new tax, while all the time colonies are allowed to tax British products to their hearts' content. There are other instances just as glaring of the favouritism with which the colonies are treated. It is now proposed that Government funds may be invested in colonial securities, while Indian securities are still barred. India has asked in vain for assistance in the cost of Imperial wars beyond her frontier. Australia and the Cape receive warm thanks because they make, out of the generosity of their feelings, a trifling contribution to the navy. Does not this seem to show that our glorious empire can only be held together by a system of bribery, and that neither imperial patriotism, if there be such a virtue, nor mutual self-interest with a just equality between the parts, is sufficient to preserve it?

The *Amrita Bazar Patrika* draws attention to the case of Adhar Chandra Sen, a Kyastha by caste, and a carpenter by trade, who having gone to Saidpur on business, fell into the clutches of a coolie recruiter and was decoyed to Dhubri, where he now is. He did not enter into a formal agreement, and so was able to save himself from being reduced to the condition of a coolie, but his friends seem to have had to pay Rs. 10, that he might be sent home.

Among other examples of "How criminal justice is administered here" the *Amrita Bazar Patrika* calls particular attention to the case of Pundit Yagadananda Goswami of Baluchar. In August last year the Pundit presented a petition to Mr. Egerton, the magistrate of Murshidabad District, complaining that he had, under the magistrate's orders, "been placed in Class C in register number XV as a bad character, and that he was to be henceforth strictly watched by the police and aroused from his sleep at night in order that his presence or absence might be noted." He further pointed out that he is "descended from Nayanananda Goswami, brother of Gadadhar Pandit Goswami, one of the spiritual companions of Lord Gauranga of Navadip," and that a member of this family like himself "is looked upon with great veneration and regard by every Hindu in Bengal." His income from property is Rs. 1,200 a year, and from "not less than 400 disciples" about Rs. 400. He is "connected with respectable families in Bengal," and "enjoys a high reputation for piety and religious devotion." Now it is very possible that true piety is no more hereditary in Bengal than in England and that a well-connected man with a comfortable income may be a great *budmash*. Yet it does seem that something more is needed than the *ipse dixit* of a police superintendent before such a man should be officially registered as a rogue and disgraced by harassing police supervision. In the course of a year's time some definite charge should have been forthcoming, if there be any ground for the official suspicions. This sort of *zoolum* is scarcely the way to impress people with a high idea of English justice in Bengal.

The Chief Presidency Magistrate of Calcutta has given his decision in the Norton case. A Mr. Norton was driving with his wife on April 21. Seeing two carriages ahead, he called out to the drivers—one of whom was a grandson

of the ex-King of Oude—to get out of the way, whereupon he was assaulted. The Magistrate bound over the prince, who is only fourteen years old, and fined the other defendant Rs. 50. He considered that the prince was frightened and that the assault, which was not premeditated, was very trivial. He also found that the way in which Mr. Norton called out to the accused to move out of the way was discourteous. The prince had the good sense and the good feeling to apologise to Mr. and Mrs. Norton in Court; but it does not seem that Mr. Norton took the opportunity to apologise to him for his discourtesy. The Magistrate said that "the prince must be made to understand that he must exercise a certain amount of restraint while in a public place." The *Hindu* adds:—

> We hope a similar understanding has been borne in on the mind of the prosecutor also as the moral of the case. If no one has a right to take the law into his own hands, none has any either to provoke breaches of the peace by rude behaviour or language in public.

The *Pioneer* continues the excellent work it has lately been doing for India by recalling to the notice of its readers the instructions to officers acting under his orders which Sir John Malcolm issued in 1821. This is a long time ago, but there is much in them which is of service to-day. Such a passage as this is almost prophetic:—

> The similarity of the situation of the great proportion of the people of this continent, now subject to our rule, will assuredly make them more accessible to common motives of action, which is the foundation of all union; and the absence of that necessity of conciliation, which changes have effected, will make us likely to forget its importance.

Personal influence gained by "a kind and conciliatory manner" springing from good feeling is in his view essential, as is the accessibility of officials and publicity in the transaction of public business. Also it is important in times of excitement to avoid suspicion.

> Established as our power now is, men cannot collect any means capable of shaking it without being discovered; and it is, I am convinced, under all ordinary circumstances, wiser and safer to incur petty hazard, than to place individuals and communities at the mercy of artful and avaricious agents and spies, or to goad unfortunate men to a state of hostility by continually viewing them with an eye of torturing and degrading suspicion.

This passage we respectfully recommend to the attention of the Bombay Government.

The *Amrita Bazar Patrika* draws attention to the good work done by Mr. Cotton, the Chief Commissioner of Assam, in reducing the gaol mortality in that Province from 51·5 per thousand in 1894 to 36·6 in 1898. Even this is much higher than the death rate of the free population of civilised countries, which ranges from 25 to 21 per thousand. Great reforms have also been effected in recent years in the gaols of Bengal owing to the action of the Indian Relief Society aided by the Howard Association; but the mortality is still heavy. This must increase the sympathy felt for prisoners who have received illegal sentences. When Mr. Greeves the Sessions Judge was recently inspecting the gaol at Benares, he came across a prisoner who had been sentenced to a term of imprisonment and a number of stripes by a Deputy-Magistrate. The term was longer than was allowed by law for the offence, and the prisoner had already served the greater part of it. The Deputy-Magistrate explained that he had made a mistake, and the case has been referred to the High Court.

The following on plague inspection is only a repetition of what has frequently appeared in the Indian papers; its importance lies in its appearing in the *Pioneer*:—

> A correspondent suggests that a good deal of fuss might be avoided if passengers were always warned at the next station to be in readiness. Discomfort on these occasions is inevitable, but not a little of the dread with which lower-class passengers look forward to the experience is due to treatment which is none the readier because it is somewhat rough. Does it matter much if the rows of men turned out for inspection are not in exactly straight lines? Will it make any difference if the ticket is in the right hand or left hand? Cannot the ticket be read if it is not placed exactly on the palm of the hand? Cannot a sheet of cloth wrapped round the neck of a passenger be taken off instead of torn off? What's the harm if a passenger stands with his luggage behind him?"

And yet when similar accounts of petty and needless annoyance were given a short time ago they were treated as exaggerated, if not seditious. The *Lancet*, in reviewing Mr. Hankin's pamphlet on the plague, says: "It is of obvious importance that the Government should in a matter of public policy carry the people with them as far as possible." But when will this truth be thoroughly learnt?

While the Anglo-Indian papers are crying out that the strike on the G.I.P. Railway is a plot of the Brahmins who ought to be dismissed from all such employments, a correspondent of the *Pioneer* points out that the wages given by the Company are such that "no Anglo-Indians and few non-Brahmins" would work for the pay. In fact every attempt to reduce expenditure means the substitution of Indians for Europeans; and this tendency to economy is seen alike on railways and in Government offices. This "wholesale employment of Natives of a disaffected class" fills the Anglo-Indian with dread. But if this tendency is inevitable, and who that observes the financial situation can doubt that it is so, is it not of the first importance to cure the disaffection, if it exists, by a policy of justice, by treating the wishes and the feelings of the Indians with consideration, and by making them share in the honours as well as the burdens of our rule?

The restriction on exchange compensation allowance will increase Lord Curzon's popularity in India, though as the *Hindu* says, it "is likely to cause some heart-burning among a class of people who would be both European and Indian to enjoy the exclusive benefits of each of the communities." By the circular letter of April 18, 1879, certain appointments were reserved for "Natives of India," and no others could be appointed save by the special sanction of the Governor-General in Council. It is now decided that anyone who holds such an appointment without this special sanction shall be "*primâ facie* ineligible on personal grounds" for exchange compensation allowance—in other words no one is to be a "statutory Native" when receiving an appointment and a European when it is a question of exchange compensation. The *Hindu* is encouraged by this to hope for the day when the "iniquitous payment" of exchange compensation allowance will be altogether abolished.

That military men should be inclined to favour a bold policy on the frontier is only in accordance with what might be expected from ordinary human nature; but as the *Pioneer* recalls to our notice Lord Elgin "could never be persuaded that human nature could have anything to do with the matter." According to him Sir George White's voice was always for peace where it was honourably possible; to which it might be answered that Sir George's theories of frontier policy "were bound to get him into positions where peace was *not* honourably possible." Thus he at once impressed the Viceroy with his desire for peace and thereby strengthened his influence when cast for war. The incident at the Indian Cavalry Dinner, where Colonel Mackenzie's wish that the new Viceroy would have a peaceful reign was greeted with "loud murmurs," may, our contemporary hopes, have the effect of showing Lord Curzon the natural bias of military men in favour of a spirited frontier policy and so set him on his guard. The *Pioneer* considers this feeling of the military, due to a "natural impulse" to "create a sphere for professional activity," the danger lying in "the peculiar constitution of the Government of India, which is apt at times to lead to a confusion of the ends of the statesman and the soldier."

According to the *Englishman* a great change has been introduced into our methods of war on the frontier. Under Lord Elgin and Sir George White larger and larger bodies of troops were employed in operations, so that at last we had an army of 18,000 men acting against 3,000 Afridis and Orakzais. This no doubt partly originated in a desire to avoid the "two men and a boy" policy, but carried to such an extent it had no advantages; such large bodies were unnecessary for mountain warfare and only gave a larger target to the enemy. Our contemporary sees another cause of all this, in the persistence of officers in urging their own claims or that of their regiments to active service. Had the same policy presided over the punishment of the Waziri raiders, we should have had a a field force of several brigades, with lines of communication and all the pomp and circumstance of glorious war. As it is, the Government of Lord Curzon has found the despatch of one or two regiments already on the frontier amply sufficient.

A HYPOCRITICAL SYSTEM.

SIR HENRY FOWLER returned to his best form in his speech moving the disallowance of the Indian Tariff Act. *O si sic omnia!* His able speech discharges us from the necessity of dealing again with the subject, for it works out remorselessly the main points that we ourselves have urged. Sir H. Fowler showed plainly that "there is no case stated for this legislation, so far as the general facts are concerned"; and, not satisfied with that, he pursued the theory of retaliation on bounties and destroyed it both by argument and by force of authority. If there be any thinking man in Indian journalism whose inclinations in favour of this factitious and mischievous Act are not yet wholly reversed by the revelations of the Blue-book, we venture to anticipate that Sir Henry Fowler's speech will go far to complete the process of revulsion. Indian journalists will not fail to observe how highly their opinion is esteemed, and how ingeniously it is worked for all it is worth, by such statesmen as Lord George Hamilton and Mr. Chamberlain, who toss it aside with the energy of contempt when it happens—as it often happens—to be opposed to their own. Sir H. Fowler also pointed out that, though Lord George Hamilton carefully limited the debate to sugar, the Act is perfectly general; and that the policy of it "is a violation of the principle of Free Trade," and "a first step towards reversing a policy which has been of some advantage to us, and it can confer no benefit on India." "If it succeeds," he added, "it will stereotype antiquated processes of manufacture and machinery, and it will deprive India of that fair competition which should be the best stimulus to increased production and manufacture." Further, "Can India stop here?" Not likely; for "the Viceroy has an absolute power to impose protective duties on everything he may consider desirable." But "if this policy is good for India, it is good for England." The Government, however, will scarcely dare to try on the trick in England. We shall await developments in India with interest.

Meantime, however, we wish to draw attention to certain symptomatic points of the most serious importance, arising incidentally in the debate. First, there is the canting profession that the independence of the local legislature should not be in any way hampered or interfered with. On this point we commend to our readers Sir Henry Fowler's argument. On May 5, 1898, the Viceroy in Council sent home a despatch containing this conclusion: "While we are prepared to press for the abolition of the sugar bounties, and to join in an international convention for that purpose, we are not prepared to levy countervailing duties on sugar imported into India." The Council unanimously signed this despatch. Lord Curzon replaced Lord Elgin, and on March 10, 1899, this Bill was introduced, and it was passed into an Act on March 20 by the very same Council. What had happened in the meantime? There is nothing whatever to show that the facts had altered in the direction of justifying this change of attitude; on the contrary, they showed a very marked tendency the other way. As Sir James Westland stated, this Bill was to "open an entirely new chapter in the fiscal history" of the country. Obviously, then, there ought to have been patient and full enquiry, and some effort to get at the well-considered opinion of "the people of India," to which Lord George Hamilton said he should "ascribe great importance." Enquiries had, indeed, been set afoot, even as late as January, but only three conditional and provisional replies had come in when Lord Curzon on January 24 answered the Secretary of State's urgent telegram with the words "Propose to legislate at once on the American model"—the model of the Dingley Tariff. "I do not think I am speaking too strongly," said Sir Henry Fowler, "when I say that practically there was no special enquiry into this matter, and that the Viceroy had already formed his opinion when he sent home the telegram of January 24." Of course, that is so. Lord George Hamilton himself admitted that he and Lord Curzon had "discussed the course to be pursued in regard to the sugar bounties" at the India Office, last autumn, before Lord Curzon went to India. True, he said that Lord Curzon suspended judgment till he should see the results of the enquiries that had been ordered in India in August. He further attributed his own decision in the matter to the failure of the Brussels Conference and to the information in early December "that there were immense cargoes of German sugar at Hamburg, and that the probability was that this great stock of sugar would be sent out to the Indian market." The "probability"! And, after all, the sugar seems to have gone, not to India, but to America. From July onwards, however, Mr. Chamberlain had urged on Lord G. Hamilton the claims of Mauritius; and, though Lord George described Mr. Maclean's insistence on the influence exerted upon him by the Colonial Secretary as "farcical," it is plain that the activity of the Secretary of State for India was coincident with the interposition of Mr. Chamberlain. "The ultimate object of this measure," Sir Henry Fowler said, quite justly, "is to compensate the Indian refiner (if you like), and certainly the Mauritius refiner, by increasing the price of sugar." When the pinch of public discussion came on, there was no honest argument available. "With regard to the speech of the Viceroy," said Sir Henry Fowler, "I am bound to say that my personal respect for him, and the high position he holds, restrain me, or perhaps I should say something about it which hereafter I might regret. I can only say of that speech that it was an eloquent exposition of inaccurate statistics and exploded economic fallacies." But the point is that, while Lord George talks of the "independence" of the local legislature, it is plain that the local legislature was practically coerced to do as Lord George Hamilton, Lord Curzon, and Mr. Chamberlain had pre-arranged. We ought rather to have written Mr. Chamberlain first of the triumvirate. The "independence" of the Indian Government is reduced to a plain farce, and the Imperial Legislative Council is seen to be an additional wing of the India Office.

And, secondly, what of the position of Parliament? That, too, is coming to be a farce under the operation of the present system. Sir Henry Fowler quoted from Lord Salisbury's despatch of March 17, 1876: "It is not open to question that her Majesty's Government are as much responsible to Parliament for the government of India as they are for any of the Crown colonies of the Empire. . . . . The only responsibility to Parliament is that of the Ministers of the Crown." Let us recall what Mr. Courtney said at Fowey on October 30, 1897—all in consonance with his very able speech in this tariff debate:—

> After all, what was this Government of India to whom we were bound to defer, even if we thought they were wrong? What were these ten or a dozen gentlemen who governed India? Who appointed them? How were they trained? What were their special qualifications? How were these 300 millions of people ruled? He did not intend to enter upon that question now, but it was a serious question, which would have to be very deeply considered. They could not very well have India governed by an Indian House of Commons, choosing its own Government, just as the British House of Commons chose the Government at home. Things were not ripe for that yet. Nor could India be governed by the British House of Commons as the United Kingdom was governed. . . . This bureau, this little set of people in a room, collected one scarcely knew how, put there one did not know why, having qualifications of which we had no surety, was not the final system of government for India.

So far, right, undoubtedly. But then why make so much of its "independence" as to paralyze Parliament? If it had not been for Sir Henry Fowler's interposition, Lord George Hamilton would have waived the right of disallowance before this discussion took place. He would have left the Act to its operation, as he did in the case of the Sedition Laws. The public would have had no opportunity of saying a timely word through their representatives. In any case, here is an Act positively in operation; the fiscal changes are all made; the business people are busy adapting themselves to the new situation. What chance is there that the House will upset an Act thus already in operation? The responsibility is rendered a farce. The hands of Parliament are practically tied. True, Parliament can pass a vote of censure on the policy of the Secretary of State. But, as Mr. Maclean pointed out, "that is not enough; we know that if we were to remove the noble lord we should only have another noble lord put in his place." "What I condemn in the noble lord," proceeded Mr. Maclean, "is that he never consults the House, and never takes any pains to ascertain whether an Act of this kind will be supported in this country." But why should the noble lord trouble himself about that? He knows that the whole weight of a reactionary Government is behind him, and that the next general election is a couple of years off. Thus the responsibility of the Minister

is practically abolished, and Parliament is left with a responsibility that it can do nothing whatever to enforce. It is a hypocritical system under which the real possessor of power—namely, the India Office, from whatever quarter inspired—avoids responsibility to the House of Commons while it pulls the wires of a so-called "independent Legislature" in India.

OUR LONDON LETTER.

(FROM A PARLIAMENTARY CORRESPONDENT.)

THE chief Parliamentary event since I last wrote has been the great debate on the Government's policy with regard to countervailing duties on bounty-fed sugar imported into India. This policy was directly attacked by Sir Henry Fowler who moved that an address be presented to the Queen praying her to disallow the Indian Tariff Act of 1899. The Government, not unnaturally perhaps, chose to regard the motion as one implying want of confidence, and by doing so deprived the result of all value, for members do not reveal their real sentiments in the votes they give on such occasions. You do not often find a sound Tory who will vote against his party for the sake of his abstract views on Free Trade, and even Mr. Maclean, to whose share in Thursday's proceedings I shall allude directly, even he might have hesitated had he supposed that his hostility would have endangered the existence of the Government. As it was, he and everyone else knew that the Government was perfectly safe in the Lobby whatever might be their fate in argument.

The debate, though on rather an uninspiring and academic theme, and though opened by a speech of an hour and a-half from Sir Henry Fowler, consisting to a great extent of extracts from Blue-books, attracted more attention and at times roused more feeling than any other debate of this Session. Sir Henry's speech was one of those performances of which it is said that they "will read well," or that they are "intellectual treats," each phrase being a polite parliamentary way of saying that a speech is not quite so lively as it might be. Very different in this respect was the speech which followed from Mr. Maclean. It was lively enough and was followed with the keenest attention alike by those who agreed and those who were hostile. Of course he had the immense advantage, so far as immediate effect is concerned, of attacking his own party. This always ensures a man plenty of applause from the other side. In addition to this Mr. Maclean is a man of undoubted ability, a good speaker, perfectly fearless and thoroughly acquainted with his subject. It is not always, nay it is not often, that I can agree with him on Indian topics, but he does not suffer from the crass ignorance which afflicts the majority of the House so far as India is concerned.

One of Mr. Maclean's peculiarities of temperament is a dislike, amounting to detestation and loathing, of Mr. Chamberlain, and of course there were plenty of opportunities of revealing that hatred during the debate. For whether one approves or disapproves of the countervailing duties in India there is no getting away from the fact that Lord Curzon is in this matter the mere henchman of the Colonial Secretary. He has pulled the strings and the puppets at Simla and in the India Office have danced. So Mr. Maclean wanted to know why Mr. Chamberlain was interfering in India. Was not Africa big enough for his overweening ambition? Was he sighing for fresh worlds to conquer? Let him settle matters with Mr. Kruger—and so on and so forth. Again only a little later he turned fiercely on Mr. Chamberlain accusing him of getting his views on foreign policy from Sir Ellis Ashmead Bartlett and on economics from Sir Howard Vincent, "views" he added with a broad sneer "which may perhaps be suitable for little Liberal Unionists in the new university of Birmingham but for no one else." Of course such hits attracted attention and applause, but I am not sure that they were wise, for in the first place they showed animus, and in the second they had no bearing on the question.

He was much better when pointing out the indecent haste with which Lord Curzon had hustled this legislation through, and when dwelling upon the obedient courtiers who surround the Viceroy, cursing countervailing duties with Lord Elgin and altogether blessing them under Lord Curzon. And he was at his best when showing that Free Trade without Government interference had enabled India to beat Manchester in the cotton trade, to rival this country with native coal which is used on all the Indian railways and on steamers as far as Suez. And so with tea—India was beating China out of the market. Perhaps his best illustration was that about oil as an illuminant in India. He remembered when India was lighted chiefly by little lamps containing cocoanut oil which gave out more smell than light. Then came the Americans with their paraffin, and they in their turn were ousted by the Russians with their tank-vessels containing petroleum in vast quantities. Russian petroleum, he said, was now the chief source of light in India. "But what an opportunity for interference by a patriotic minister!" he exclaimed, "he could have said that he would not allow the immemorial cocoanut oil lamp of the Native to be extingushed by the ruthless rivalry of our hated foe!" Mr. Maclean went on to declare that it was mean and discreditable to impose a commercial policy on India which the Government dare not introduce in this country, however much they might wish to introduce it. He claimed, too, that the Indian native papers were becoming more and more hostile to the policy.

Lord George Hamilton followed, naturally, seeing that he is Secretary of State for India. His speech cannot be called a success, for it was sufficiently obvious that he did not thoroughly understand the subject. The one point which seems to rouse him chiefly was the suggestion that he had taken his orders from Mr. Chamberlain—but however sincere his assertions may have been the fact remains, and can be proved by dates, that the first signs of energy on the part of the India Office were perceptible directly after Mr. Chamberlain's interference. I watched the Colonial Secretary, and it struck me that he rather liked to hear such assertions, as they were really a tribute to his importance and influence. Of course he spoke also, but before his turn came the House had a fine and instructive speech from Mr. Courtney, who was as heartily against the Government as was Mr. Maclean. Singularly enough the two most telling attacks on the Ministers came from their own side! No man is more ready than Mr. Courtney to give a reason for the faith that is in him. Members made pathetic attempts to follow his teachings, as he argued that a protective duty was a bad thing for everyone, but a bounty was injurious to those who imposed it, and were supposed to benefit by it, and was beneficial to everyone else. Cheap sugar was a great blessing to this country, and would be equally a blessing to India. Yet the Government policy would make sugar dearer out there. If it was desirable to send up the price of sugar in order to help those in the trade, then the same thing could be said for corn. "Hear, hear," cried Sir Howard Vincent, who holds the strange view that national prosperity depends on the dearness of everything. Mr. Courtney turned on him with the declaration, "if it rained twopenny loaves from Heaven it would be a good thing for the nation, but you would say it was bad for trade, and injured the farmer, the miller, and the baker." "Hear, hear," sang out the incorrigible Sir Howard once more.

Mr. Chamberlain was put up to answer Mr. Courtney. Of course Mr. Chamberlain has not a tithe of Mr. Courtney's information on this topic, and he did not attempt to meet his arguments. But while Mr. Courtney's store of learning is prodigious he offends his audience by lecturing too much. Mr. Chamberlain is by far the more mentally nimble of the two, and he therefore dropped argument and contented himself with ridiculing his opponent. He likened him to the New Zealand medicine man of whom the tribe said, "He gave us so much good advice that we had to put him away." And as is usual with him Mr. Chamberlain managed to get in one or two sentences that will be serviceable at election times. He always speaks with one eye on the public platform, and is eternally polishing up his electioneering weapons. But with all his art he made it quite clear that he had thrown over Free Trade; and Sir Henry Campbell-Bannerman did good service in pointing out the fact that the Government evidently intended to bring in similar legislation in this country as soon as it dare. As to the opinions of India that is a subject which I leave to those in the country or who are better acquainted with its thought and feeling than I am. But there would be a fine rumpus if it was sought to be imposed on the people of England. In the end Sir Henry Fowler was defeated by 293 to 152; the Government getting just about its normal majority of 141.

The Rangoon outrage has been the subject of question and answer in the House more than once during the week, and I should think that the authorities will really try to make an example in this case. For if a hideous crime of this sort can take place in broad daylight, in the presence of quite forty British soldiers, and no one caught, then the sooner we cease to talk about our sedulous care of the natives of India the better.

The Government has also made the usual statement about the particular measures which it means to push forward and which it means to drop. Mr. Balfour actually mentioned fifteen measures which he would like to pass! As the Session only contains about six more weeks of course this is absurd. One measure alone, the Clerical Tithes Bill (commonly called the Parson's Relief Bill), would be fought and obstructed for weeks. But Mr. Balfour's most extraordinary blunder was his declaration that he had no knowledge of any promise that the Government would introduce this Session a Petroleum Bill. It has been promised definitely three separate times, and a private member's Bill on the subject was rejected on the very ground that the Government had a Bill to deal with the question! Mr. Balfour carries the game of being a child in these things a little too far at times. But even so simple-minded a man as he is will understand the South Edinburgh election. At the General Election a Unionist captured the seat with a majority of 97. On Monday last the Liberals recaptured it with a majority of 831. I believe the General Election will see many a similar reversal.

Imperial Parliament.

Thursday, June 15.

HOUSE OF COMMONS.

THE SUGAR DUTY ACT.

MOTION TO DISALLOW.

ABLE SPEECH BY SIR HENRY FOWLER.

LORD G. HAMILTON ON BRITISH RULE IN INDIA.

IT "WILL NEVER BE POPULAR."

THE MOTION REJECTED.

Sir H. Fowler, who was received with cheers, said, I rise to move "That a humble address be presented to her Majesty praying that her Majesty will be pleased to disallow the Indian Tariff Act, 1899." That Act provides that the Governor-General in Council may impose upon any article which receives any bounty or grant on its exportation from the country in which it is manufactured, an additional duty on its importation into India equal in amount to such bounty or grant. In pursuance of that statute the Governor-General has imposed upon all sugar imported into India from the Argentine Republic, Austria-Hungary, Belgium, Denmark, France, Germany, Holland and Russia countervailing duties, varying from ten rupees to 180 rupees per ton, or, taking the rupee at 1s. 4d., from 13s. 4d. per ton to £12 per ton. In respect of the two countries from which practically all the European sugar comes to India—namely, Germany and Austria—this duty varies from £1 4s. per ton to £1 15s. 6d. per ton. I may say, in order that there may be no misconception on the point, that, though the noble lord the Secretary for India has been asked questions in regard to it, these duties are in addition to the existing duty of 5 per cent. on all sugar imported into India, which varies from 14s. to 15s. per ton on refined sugar, and from 3s. 6d. to 4s. per ton on raw sugar. But before I proceed to discuss the policy of this measure, I must notice the objection which has been taken to any interference on the part of this House with the action of what has been called the local authority, and to any dealing differently with the financial policy of India from the manner in which we deal with the financial policy of our self-governing colonies. That objection proceeds on an entire misconception of the Constitution of India and of the legislation and practice which defines the relationship between that Government and the Imperial Parliament. (Hear, hear.) When the Government of India was transferred to the Crown, all the powers vested in the board of directors of the East India Company and in the board of control which represented the Imperial authority were vested in the Secretary for India, and three years after that transfer took place the Indian Council Act was passed, which practically regulates the Government of India at the present time. That Council consists of the Viceroy and six other members, and that Council is technically and literally the Government of India. Now, every member of the Council is appointed by the Crown; but the Act passed in 1862 said that when the Council was sitting for the purpose of making laws and regulations there should be added to it a certain number of additional members. Those additional members must not be less than ten and they must not be more than sixteen; but in the selection of those members there is no trace of what we call popular representation. (Hear, hear.) Six members are appointed by the Viceroy, and the remaining ten are non-official members. Of these ten four are nominated by the Provincial Legislature and one by the Chamber of Commerce of Bengal, but these nominations are again subject to the veto of the Viceroy; and the remaining five are nominated by the Viceroy in such a manner as appears most useful with reference to the legislative requirements and adequate representation of the different classes of the community. This body has a very limited jurisdiction. No measures affecting finance, taxation, debt, and some other matters with which I need not trouble the House, can be introduced without the Viceroy's consent. Now I am not in any way criticising this mode of governing India. I believe it has worked wisely and worked well, but it does not possess either the characteristics or the independent authority of the elected legislatures of our self-governing colonies. It may be said, be that as it may, it is a legislative body, and, as such, so long as it is a legislative body, may it not be entrusted with the sole control of matters which exclusively apply to India? That question has been raised more than once, and it has been disposed of by two great Secretaries of State, the Duke of Argyll, and the present Prime Minister, Lord Salisbury. The Duke of Argyll dealt with that question of general legislation on general policy; Lord Salisbury dealt with it exclusively on financial matters, and at a time and under conditions which form an almost exact precedent to the present situation. Lord Salisbury was called upon to deal with the contention that the Viceroy and his Council should be as independent with respect to the finances of India as the elected Legislatures and the responsible Governments of Australia and Canada were. Now, I am not going to trouble the House with any quotations upon the general question, but, as I do think this point may be cleared up at once and finally, I must quote two or three sentences from that very able despatch of Lord Salisbury. He says:—"It is not open to question that her Majesty's Government are as much responsible to Parliament for the Government of India as they are for any of the Crown colonies of the Empire. . . . Nor has any exception been made, either legally or in constitutional practice, in favour of questions of finance, which your predecessor proposes specially to withdraw from the action of the home Government. On the contrary the vigilance of Parliament is more active and the weight of Parliamentary responsibility more strongly felt in respect to finance than in respect to any other department of Indian government. . . . It necessarily follows that the control exercised by her Majesty's Government over financial policy must be effective also. . . . In scrutinising the control exercised over the Government of India by her Majesty's Government, and the grounds for maintaining that control, it must be borne in mind that the superintending authority of Parliament is the reason and the measure of the authority exercised by the responsible Ministers of the Crown, and that if the one power is limited the other must be limited at the same time. It is impossible, therefore, that 'measures affecting Customs and finance can be dealt with on the responsibility of the Government of India,' as your predecessor in Council has suggested. So far as Parliament is concerned, no such responsibility exists. The only responsibility to Parliament is that of Ministers of the Crown. . . . Measures affecting the tariff touch subjects which are not exclusively of Indian concern. They influence the prosperity of trade and industry outside the confines of India, and they relate to matters on which her Majesty's Government is in constant negotiation with foreign Powers. Such considerations may furnish important elements in considering the expediency of financial proposals, but they are necessarily less fully within the cognisance of the Indian than of the Imperial Government."

Lord G. Hamilton: What is the date of the despatch?

Sir H. Fowler: It is the despatch of March 17, 1876. It is the despatch which regulates the relations of the Indian and Imperial Governments. That, sir, is my authority for asking the House to review this immense change in the tariff of India, and for appointing to what the Finance Minister of India describes as a new chapter in the fiscal history of that country. When the statute, which is now limited to sugar—although, as the House will notice, it is not confined to sugar but covers other foreign imports—when the Bill was introduced the following official statement was made on behalf of the Government of India: "The present Bill has been proposed with the object of enabling the Government of India to impose countervailing duties, and thus to preserve the sugar cultivation and industries of India." (Ministerial cheers.) The first point therefore which I shall deal with is the sugar cultivation and the industries of India. Statistics as to the area of land in India which is under sugar cultivation are not complete, but I think the statement that is made in the Blue-book may be taken as practically accurate. The Governor-General of India, in a despatch which I shall have to deal with later on in my speech, stated that the area under sugar-cane in India is about two and a-half million acres, but the figures which are given later in the appendix to the Blue-book show that the average land under sugar cultivation for the five years ended 1896 was 2,900,000 acres. That figure went down to 2,651,000 in 1896-97, and to 2,675,000 in 1897-98. There is no record of what the figure is at the present time. But the number of acres may be safely taken as something like 3,000,000; but the House must remember that in this, as in all other Indian matters, things are on a colossal scale. Two million acres in India are a very different thing from 2,000,000 acres in most other countries. The entire area of India is something like 224,000,000 acres, and therefore, however important the sugar crop may be—and I should be the last man to undervalue it—it is well for the House to remember that the land under sugar cultivation is only one and a-half per cent. of the whole area under cultivation at the present time. The crop from this acreage is taken by the Government of India—and I do not dispute the figures, though some authorities give it as much larger—at one ton per acre, so that the sugar crop from 3,000,000 acres is 3,000,000 tons of our sugar produce. Now, Sir, it is a difficult question to say the least as to what proportion of that product of Indian sugar is consumed in the raw state and how much of it is refined. But in the report in this Blue-book of one of the largest districts where sugar is cultivated—the North-West Provinces—the official says: "The best estimate I can give is that one-fifth of the raw sugar produced is refined and four-fifths consumed in the natural state." I believe—I am told, and there is a gentleman in the House who will correct me if I am wrong—I believe that a very large quantity of sugar is consumed as cane both as an article of food and luxury. The only method of refining which prevails in India is crushing and boiling down the raw product, and

that is the beginning and ending of the refining of a large portion of the sugar in India. The refining, as the word has been used in this controversy, is on a very small scale. The machinery is inadequate, the processes are defective, and when I tell the House that in the return on the moral and material progress of India of, I think, 1896 and 1897, the Government there state that the entire number of what we call sugar factories or refineries, as we understand them in this country, was only thirteen, an increase of two since 1889, they will see that the sugar industry of India was on a very limited scale. India gets its sugar from two sources—European, which is bounty-fed; non-European, which is not bounty-fed; and the bulk of the latter comes from Mauritius. In 1891 the import into India was 147,000 tons—and I mention the year 1891 because it was not until that year that there was any import into India of German or Austrian bounty-fed sugar. That represented the normal conditions of trade. In 1896 it had fallen to 137,000 tons. In 1897 it was 143,000 tons. In 1898, the year on which so many of these controversies turned, and the year after the famine, it rose to 230,000 tons, and for the year ended March 31, 1899, it had fallen to 203,000 tons. I want the House to understand the true meaning of these figures. You are dealing with a Native trade which on a most moderate estimate represents 3,000,000 tons. You are dealing with a trade which is threatened with the importation of 200,000 tons, and you are asked to take special precautions, to pass special legislation in order to penalise 74,600 tons. (Hear, hear.) Where does this sugar come from? In 1896 Austria and Germany sent 36,000 tons; in 1897 they sent 43,000 tons; in 1898, 107,000; and in 1899 it had fallen to 74,000 tons. The Mauritius play no small part in the supply of sugar to India and in the initiation of this legislation. (Hear, hear.) In 1896 the Mauritius sent 78,000; in 1897, 83,000; in 1898 and in the year which has closed, 105,000 tons. Now these are the facts as to this threatened industry, and I hope the House will not forget that in face of these imports the population of India during the period over which these figures run has been increasing at the rate of two millions per annum, and therefore there must necessarily be an increased supply and increased consumption. These, as I say, being the facts, I must ask the House to go through the history of the legislation which I am asking for an address to the Crown to disallow; and I think, so far as Parliamentary history and Ministerial diplomacy are concerned, this is one of the most instructive Blue-books which has ever been laid on the Table of this House. (Cheers.) There is nothing in this Blue-book, no document, prior to May 5, 1898. We do not know what passed between the Government at home and the Government of India; but in May, 1898, the Government of India sent home a despatch with enclosures. They did not refer to any previous communication from home, and perhaps the noble lord will tell us whether this was a reply to any communication from the home authorities. At present it looks like a bolt from the blue so far as India is concerned. The Government of India was approached by the Chamber of Commerce of Bengal as to India being represented at the Brussels conference on the sugar question. They sent a long letter from three great firms in Calcutta describing the effect of the unrestricted importation of bounty-fed sugar, and asking the Government to take steps. The only other official document accompanying this despatch was a letter from the Governor of the North-West Provinces, who appears also to have been approached by the chamber of Commerce in his district. It is stated that he had no reason to believe that the sugar industry had yet been interfered with by the importation of bounty-fed sugar, but the extension of the great industry in this province was a matter which appeared to be of much importance, and that it should receive the attention of the Government, and be kept under observation at the Conference. That is the opinion on which the Government of India proceeded. Now I must read what that Government says on the subject. First they say that they approve of the suggestion of the Bengal Chamber of Commerce that India should be represented at the Conference. Then they say: "An examination of the statements in the note on the effect on the sugar-cane industry of India of the unrestricted importation of bounty-fed sugar, which forms one of the enclosures of this despatch, leads us to the conclusion that while the competition of imported sugar (of which three-fifths are cane-sugar may have reduced the profits of the refining industry, it does not appear to have materially affected the producer. He relies mainly on the demand for unrefined sugar, which constitutes seven-eighths of the trade, and in respect of these seven-eighths there seems to be no reason to apprehend that the producer's profits have been lowered by the increased importation of beet sugar. While, therefore, we adhere to the position stated in the financial despatches of February 14, 1888, and May 14, 1889, and are prepared to press for the abolition of the sugar bounties, and to join in an international convention for that purpose, we are not prepared to levy countervailing duties on sugar imported into India." The date of that despatch is May 5, 1898. There is one point that we have to take into consideration in dealing with this question. The consumption of sugar in India is put at 28 lb. per head. That is a very large proportion, showing how important a necessary of life sugar is in India. What is the consumption of sugar in European countries? Well, in Europe we are the highest consumers of sugar; we are the highest consumers in the world—it is 82 lb. per head. In America it is 66 lb., in Denmark it is 44 lb., in France it is only 29 lb., in Germany 28 lb., in Holland 26 lb., but in India it is at least 28 lb. per head. Therefore any interference with the general consumption of sugar in that country would be a very serious matter. (Hear, hear.) I asked the noble lord a few nights ago whether there was any dissent from the despatch to which I have referred, but there was no dissent sent home. It was signed unanimously, and it was so signed by the Council of India. So on May 5, 1898, it was recorded as the decision of Lord Elgin and his colleagues that they would not levy any countervailing duties on sugar. Their opinion was that the sugar grower in India as against foreign sugar, whether bounty-fed or not, had nothing to fear. Well, the next step is the Brussels Conference but I need not trouble the House with that. On August 25 the noble lord replied to this despatch of the Government of India, and he refers to a letter from the Colonial Office dated July 23, 1898. The noble lord said: "I forward for the information of your Government the papers noted in the margin. The letters from the Mauritius urge that India should take steps to protect her own sugar and Mauritius cane sugar from the competition of bounty-fed sugar. At paragraph 4 of your letter of May 5, 1898, it was stated that you were not prepared to levy countervailing duties on bounty-fed sugar imported into India. I should be glad to receive more fully your views on this proposal, as her Majesty's Government, now that they are in possession of the views of foreign Governments, must consider during the next few months the course they pursue." Following the story in consecutive order the Government of India on October 31 sent a despatch back in reply to the noble lord, and this despatch the House will bear in mind. On that date a circular was sent out, in which these words occur: "The Government of India have no clear evidence before them that the increasing sugar imports have had, or are tending to, such serious consequences. The area under sugar-cane in the different provinces has not declined of late years, nor in recent revenue or settlement reports have any observations regarding the unprofitableness of the industry been noticed. The extent to which the refined sugars from abroad compete in the Indian markets with the coarse sugars ordinarily manufactured by native processes and tend to supplant the latter is uncertain. There is probably an increasing demand for sugar in India for domestic consumption and for spirit distilling and sweetmeat making, and, as the sugar-cane area has not expanded of late years, it may be that the increasing imports have not been in excess of the necessary demand, and that the price of Indian sugar has, notwithstanding these imports, been maintained. Lastly, the question whether sugar prices in India have fallen in recent years is one on which it is difficult on existing materials to pronounce owing to the many varieties of sugar sold in Indian markets, and the failure of the published price returns to clearly distinguish between them." While this was going on there was a correspondence proceeding between Mauritius and Whitehall and between the Colonial Office and the India Office, and in November, 1898, the Governor of Mauritius addressed the Colonial Secretary with reference to the position of the Mauritius trade, sending enclosures. The Governor of Mauritius asked that they should be exempted from the payment of the 5 per cent. duty, but this was a request which neither the Government of India nor the Home Government could accede to. Therefore he raised this question again in his correspondence with the Secretary of State for the Colonies. He also accompanied that with a petition from the bankers and merchants of Mauritius, stating their case fairly enough, and, from their point of view, putting the strongest arguments they could in favour of receiving this protection. On January 3, 1899, the Secretary of State for the Colonies forwards this communication to the noble lord at the head of the India Office, and says:—"Mr. Chamberlain concurs in the apprehension of the memorialists that the continued sale of bounty-fed sugar will drive Mauritian sugar out of the Indian market, and will result in ruin and distress to a colony the majority of whose population are natives of India or their descendants. He therefore trusts that this petition may receive the favourable consideration of Lord George Hamilton and of his Excellency the Governor-General of India in Council." The answer of the noble lord to that communication is not in the Blue-book. But on January 7 the Secretary to the Colonies returns again to the subject. He says:—"There are two questions affecting the prosperity of the sugar-growing colonies, on which correspondence has already passed between this Office and the India Office, and which Mr. Chamberlain would ask Lord George Hamilton to bring to the special notice of Lord Curzon of Kedleston, in order that they may receive his attention at the outset of his term of office. . . . It seems not improbable that, however well supplied with East Indian labour the sugar planters may be, their industry may be destroyed if the bounty system continues unchecked, and, in the absence of countervailing duties or penal clauses, it is not easy to see from whence the check will come. On this subject Mr. Chamberlain can only express his own personal views, as he has already expressed them in the House of Commons. There is, in his opinion, no valid economic argument against countervailing duties, and the question is purely one of policy and of expediency." (Some Ministerial cheers.) He closes up his despatch by saying:—"He does not presume to suggest to the Government of India what course should be taken in the matter, but he would ask that their most earnest attention should be given to it. He has more than once declined to allow colonial policy on commercial questions to be tied by the policy for the time being of the mother country, and, if the Indian Government, in the interests of East Indians, were to see fit to penalise or to countervail bounty-fed sugar, or to give preference to the honestly grown cane sugar of the British colonies, he would welcome the step as likely to strengthen the opposition to bounties and to hasten the collapse of a mischievous and unsound device for ruining an important British industry." I do not notice that the reply of the noble lord is in the Blue-book, but on January 24 the noble lord sent this telegram to the Viceroy:—"A despatch is being sent by next mail. . . . Should you now adopt views different from those of your letter of May, 1898, and propose countervailing duties, I shall be ready to consider proposals fully. Recognising that circumstances of Great Britain and India differ, I shall ascribe great importance to views which people of India hold on this matter. I send for information circular showing how countervailing duties are levied in United States." On January 26 the noble lord sent that despatch. It is a very interesting despatch, but as it did not arrive until after the decision of the Indian Government had been taken I will not trouble the House with it. But on February 1 the Viceroy —the new Viceroy was now in power—sent this telegram:—"Your telegram of January 24 last. A despatch has been posted by last mail, in which, taking Indian standpoint and irrespectively of Imperial policy in relation to colonies, we arrive at conclusions on the whole favourable to recommendation of Colonial Office. We considered it expedient to send it unaltered. Despatch points out that since 1897-98 imports of beet sugar from Austria and Germany show

marked increase, imports from Mauritius remaining stable. The present market price of imported sugar is unusually low. They compete with native sugar, both refined and coarse, and diminish profits of native sugar refineries." That was a mistake, an unintentional mistake. The imports of Austria and Germany were rapidly decreasing at that moment, and the imports from Mauritius were as rapidly increasing. (Hear, hear.) I ask the House to mark the next words in the telegram: "We are enquiring how far these effects are likely to be permanent." (Hear, hear.) On January 26 Lord Curzon sent his despatch, and it is a very interesting document. He says: "Enquiries have been initiated in our Department of Revenue and Agriculture, and they will be supplemented by enquiries into the prices of both refined and coarse sugar which will be undertaken by the Director-General of Statistics. With these data before us we shall hereafter be in a position to express a final, or at any rate a more confident opinion on the policy of imposing countervailing duties." That was the expression of opinion of the Viceroy on January 26. On February 24 the Secretary of State telegraphs: "Desire to know if you propose to pass an Act this Session imposing countervailing duties." (Laughter.) At that moment the enquiry that had been directed in August, that had been promised in October, 1898, was still proceeding, and at that time the Government of India had no information at all. (Hear, hear.) They had sent a despatch, possibly two despatches, but on February 24 the noble lord wants to know if there is going to be legislation this Session. The Viceroy immediately replies: "Propose to legislate at once on American model." (Loud laughter.) Yes, the model of the Dingley Tariff. (Hear, hear.) On March 1 the noble lord telegraphs: "Suggested legislation approved by her Majesty's Government. When will Indian Government's intentions be announced?" On March 3 the Viceroy replies: "Bill for imposing duties on lines of American law will be brought forward on March 10 and published in newspapers on March 13." There was some delay owing to pending contracts, but on March 20 the Bill received the Viceroy's assent. I should like to give the House a few dates as to these replies. The Viceroy said he was going to consider the matter and to get statistics about prices. There is not a line of statistics in this Blue-book about prices. The first reply was from the North-West Provinces and dated February 15, that from Ajmere-Merwara February 17, Bombay February 23, Berar February 28, and the Punjab March 7. I do not think I am speaking too strongly when I say that practically there was no special enquiry into this matter, and that the Viceroy had already formed his opinion when he sent home the telegram of January 24. I am not going to trouble the House with all these replies, but I am going to take the two great districts from which replies were given—one of them decidedly favourable to the legislation the noble lord approved of and the other unfavourable. I will deal first with the North-West Provinces, which are very largely interested in sugar cultivation. The memorandum is made by the Officiating Director of Land Records and Agriculture, and it contains some very important statements. I will only call attention to two or three of the salient points:—"The area sown in 1896-97 fell below the average by 56,131 acres, or 4·4 per cent. This fall could not be due to competition of foreign imports, because this competition had not begun in the spring of 1896, when this crop was sown." I call the attention of the House to this because great stress has been laid on land going out of cultivation. There was no doubt a great diminution in one year owing to the famine. There was a decrease of the whole acreage of land in India under cultivation of upwards of 20 millions of acres owing to the famine. The fall in sugar cultivation was about an average of 10 per cent., but in a great many other instances. I think in wheat it was 16 or 17 per cent. All through India there was a large diminution in sugar cultivation on account of the famine, and in no part of the country was the famine worse than in the North-West Provinces. "The decrease is, in fact, just what the figures of past years would suggest; a fall was to be expected after the large rise in the previous year, and if the fall is greater by a few thousand acres than might have been foreseen the reason is to be found in the local scarcity prevailing in Pilibhit and elsewhere at the time (the spring of 1896) when this crop was sown. The crop sown in the spring of 1897 showed a further fall, and was 9·6 per cent. below the normal. This is not surprising, for at seed-time almost the whole province was suffering from acute famine, and cultivators naturally put a large proportion of their irrigable land under food crops. On the other hand, the increase in imports was not at that time so marked as to affect the cultivators' calculations." That is one point. He goes on to say:—"No matter how cheap refined sugar is, the great majority of the people will continue to use *gur*, and will not substitute refined sugar for it. The imports of refined sugar do not, therefore, immediately threaten our whole home production but only our home refining industry, leaving the demand for three-fourths or four-fifths of our production unaffected." That is the report from the North-West Provinces. It gives a rather interesting return about the profits of the sugar-refining industry. The Officiating Director shows how they vary from 30 rupees per acre in one district to 7 rupees in another, and he adds:—"I know of no crop which, grown on the same scale, would yield such profits. . . . On the whole, then, as far as prices show, the Native refiner cannot say that his profits per cent. have vanished." Summing up the whole matter, this able and distinguished public servant who presides over that district is exceedingly cautious. He does not commit himself to any decided opinion. I now come to Bombay, which is a large trade centre. There are two reports submitted to the Bombay Government by two very distinguished men—the Commissioner of Customs and the Commissioner of Land Revenues. The effect of these reports is this:—"That the importations of European sugars during recent years were altogether abnormal, and that they neither lowered the price of Indian refined sugar consumed in the Bombay Presidency nor checked the cultivation of the cane, or the production of unrefined sugar to which practically the whole of the cane produced in the Presidency is devoted. On the other hand, the production of refined sugar in this Presidency is so far on too insignificant a scale to merit consideration. . . . . The chambers of commerce, Bombay and Karachi, are clearly of opinion that in the interest of trade countervailing duties against European sugars are uncalled for. . . . . On the whole, his Excellency the Governor in Council is of opinion that neither the commercial nor the agricultural interests of this Presidency are injuriously affected by the increasing imports of refined sugar, or call at present for the imposition of countervailing duties upon that part of the imported sugar, the export of which to this country is aided by bounties." There is a very able report by Mr. Mallison, the Deputy-Director of agriculture in the Bombay Presidency, in which he shows how the sugar is cultivated, and says:—"The increasing foreign imports of refined sugar in the Bombay Presidency more than meet the diminished local productions of moist sugar and the diminished rail imports from other parts of India. The increasing foreign imports of refined sugar, owing to cheapness and perhaps also owing to a higher standard of living of an increased population, find extended use for household purposes and in the production of superior descriptions of sweetmeats. The habit of tea drinking has extended to villages in out districts, and there is no doubt that villagers who used sugar on rare occasions formerly now use it much more freely and oftener." He draws the inference that foreign imports have yet had no effect on sugar-cane cultivation in the Presidency, and he makes various valuable suggestions with reference to improvements in cultivation. Now, these evidences placed before the Government of India in pursuance of their enquiry fully confirm the policy of May, 1898, and the decision of the Government at that time. All the correspondence shows that what the Indian sugar industry needed was better and more scientific cultivation, better and more modern machinery, and the true policy of the Indian Government would have been in that direction. (Cheers.) The noble lord, in reply to a question the other night, said that "more accurate information has resulted in a change of opinion." The question, then, is whether the information received between May and February afforded any ground for a change of belief? I go for an answer to that question to the speech of Sir J. Westland when he introduced this legislation to the Legislative Council. He was bound to make out a case for it, because he signed the recommendation in favour of refusing countervailing duties and he now proposed to reverse that decision. Sir J. Westland was perfectly candid. He said he was proposing "to open an entirely new chapter in our fiscal history," and he rested his case entirely on the enormous increase in the importation of foreign sugar into India in the last three or four years, although all the evidence shows that that increase had taken place before May, 1898. But I must ask attention to two items of further information which Sir J. Westland had received. He dealt with the sugar consumption in Berar and the Punjab, and he says that in 1893-94 the imports of refined sugar from the North-West Provinces were 1,000 tons; in each subsequent year there had been a steady decline, till in 1897-98 the quantity imported amounted to only 430 tons. During the same period there had been an increase of foreign refined sugar into the district of about 4,730 tons. That was rather a small case on which to rest this great legislation; but I was rather interested when I saw this statement, to look into the Berar report, which was not quoted in full, and I find there the statement that, "since we have no sugar-refining industry in Berar, the imported refined sugar does not come into competition with the local production," and further that "our requirements are much in excess of our produce," and also that "until the cultivation of sugar-cane in Berar extends sufficiently to satisfy the local demand for unrefined sugar, the question of the competition of refined sugar does not come in." (Cheers.) Sir J. Westland also refers to the state of matters in the Punjab. In the report of the Director of Land Records and Agriculture in the Punjab, I find it stated that "refined sugar has not found its way into the villages to any appreciable extent. There the people are more bound by custom and tradition than the inhabitants of towns, and use *gur* as an article of daily food. *Gur* is sweeter and more adapted to the necessities of the Zemindar, and is very much cheaper than refined sugar." And again, "there is certainly no tendency towards a fall in price, so that it cannot be said either that the profits of cultivation are declining, or that refined sugar has yet entered into competition with *gur*." No apprehensions were felt as yet as to the future of sugar-cane cultivation. This, then, is the new information to which reference has been made, but there is no record from the Government of Bengal, though there is a report from the Chamber of Commerce at Calcutta, which is composed of a body of gentlemen who have very strong opinions upon this question. With regard to the speech of the Viceroy, I am bound to say that my personal respect for him, and the high position he holds, restrains me, or perhaps I should say something about it which hereafter I might regret. (Opposition cries of "Go on.") I can only say of that speech that it is an eloquent exposition of inaccurate statistics and exploded economic fallacies. (Laughter and cheers.) Strength has been laid on the unanimity with which the Legislative Council passed this measure; but nobody who is familiar with its constitution would charge the Legislative Council with being affected with Free Trade opinions. They are not apostles of Peel or Cobden, of Gladstone or Northcote. They hold strong views on this question and on other questions besides sugar. The House will remember the controversy with regard to the respective interests of Lancashire and Indian cotton. The greatest introduction of Free Trade legislation into India was made by Lord Lytton. The Legislative Council of India would not have Free Trade then, and Lord Lytton, very wisely, I think, exercised his prerogative to override the Council and repealed the protective legislation relating to cotton. I mention these facts to show that the Legislative Council would not be predisposed to regard the question on precisely the same lines that we would look upon it here. A line is attempted to be drawn between bounty-fed and non-bounty-fed imports; but all the imports of refined sugar to some extent affect the interests of the Indian refiner, and from that point of view the principle is the same. The bounty-fed sugar may be produced at less than cost price, but before it gets to the consumer it has to bear certain burdens. There is the carriage from Austria to India; the carriage from

Bombay or Calcutta to Upper India; and, in addition, there is a 5 per cent. Customs duty. These three elements of protection the Indian producer possesses at present; and the protection afforded by the cost of carriage is one to which he is entitled. But the ultimate object of this measure is to compensate the Indian refiner if you like, and certainly the Mauritius refiner, by increasing the price of sugar. What else would be the advantage of a countervailing duty? (Hear, hear.) Into whose pocket will the increase go? (Cheers.) It will be paid by the Indian consumer and it will go to the refiner, whether at home or abroad. (Hear, hear.) I submit that there is no case stated for this legislation, as far as the general facts are concerned. But I will not shrink from dealing with the statement that the protection is to be given, not against ordinary competition, but against competition which has attached to it an artificial advantage. The Viceroy says that the industry "should be relieved from external competition fortified by an arbitrary advantage." But he does not say what an arbitrary advantage is, and we have no definition of it. There are advantages of climate, soil, taxation, cost of labour and raw material, cost of transport, cost of land improved process, and of many kinds of Government assistance direct and indirect. Who is to say which is arbitrary? (Cheers.) What do the planters of Mauritius say with reference to Australia? They say that they have lost the markets of Australia because the planters of Queensland and New Zealand, with the assistance of the money and credit of their Governments and of protective import duties, are producing more sugar than the Australian consumption. No Government can equalise the conditions of production. (Cheers.) But you may put the case in a more plausible way and say that if a foreign Government throws a disability on the producer of another country, the Government of that country is bound to compensate its own producer to the extent of that disability. (Ministerial cheers.) But that would cover protective duties as well as bounties for there is no real difference. (Opposition cheers.) Germany gives so much per ton for sugar exported to India, and thereby places the Native producer at a disadvantage. The United States puts a duty on British iron imported, and thereby places the British producer at a disadvantage. (Cheers.) The Viceroy talks about "the mutterings of the high-priests at the Free-Trade shrine." I will quote some of those mutterings of the high-priests, and I will choose the high-priests irrespective of party. (Cheers.) I will first quote the Tory Government of 1876, when Sir Stafford Northcote was at the Exchequer and Mr. W. H. Smith at the Treasury. What did they say when this very proposal was made to them in 1876?: "The proposal of a countervailing duty rests upon a principle which the Government of this country could not admit without reversing its whole system of commercial policy. If the doctrine was still maintained that the Government should adopt fiscal measures for other than fiscal objects, and should attempt to make such measures an engine for assisting British manufacturers to compete on what may be considered equal terms with their foreign rivals, the present case might undoubtedly be considered a very proper one for the application of such a principle. But it cannot be doubted that if the Government were to act on this doctrine in the present case, it would soon be called upon to do so in other cases also." (Opposition cheers.) "Their lordships are of opinion that the Government ought not to countenance such a step, unless it is proposed to review the whole code of commercial legislation in this country." (Opposition cheers.) The next high-priest I will quote is Sir Louis Mallet. In the report of the Sugar Bounty Committee he is reported as saying that "he was not able to see the difference between countervailing a bounty and giving a bounty against an import duty of a foreign country"; and with respect to countervailing duties on bounty-fed sugar, he said: "I should very strongly deprecate any such policy. I contend that the objections to it in principle are of a most serious character. I think it would lead to a demand from other industries which it would be very difficult in justice to resist. I entertain the opinion that it would be found very difficult to apply it in practice without imperilling the security of our treaty stipulations, and without involving us in very great difficulties in our relations with foreign countries." (Cheers.) The next high-priest I will quote is Mr. Bright. In declining to attend a public meeting at Birmingham on the sugar-bounties question in 1881, Mr. Bright wrote: "Whilst regretting that the bounty system exists, I am quite unable to act with you and your friends in favour of what are called countervailing duties, whether as regards sugar or shipping or any other article of trade." There was another member for Birmingham at that time who was invited to attend the meeting —the present Secretary of State for the Colonies—who wrote: "If you were unfortunately to succeed in imposing countervailing duties on foreign sugar, the effect would be that the consumers in this country, principally of the working-classes, would, according to the figures supplied by the sugar refiners themselves, have to submit to a tax of something like £1,000,000 sterling per annum, in order to put this sum in the pockets of the West Indian planters and a few sugar refiners in the United Kingdom." (Opposition cheers.) That was the opinion of the right hon. gentleman in his private and personal capacity; and his official deliverance, as President of the Board of Trade, was as follows: "The general principle which governs the financial policy of this country is that Government shall not interfere with the course of trade either by giving bounties or by imposing duties. To this policy no exception has hitherto been made, whatever the conduct of foreign Governments may have been either in encouraging their own manufacturers or discouraging ours. There are many ways besides bounties in which Governments can and do encourage or discourage particular industries. None of these have hitherto been thought to call for retaliation by her Majesty's Government, yet they are open to the same kind of objection as sugar bounties. If duties are to be imposed to countervail foreign bounties, *a fortiori* ought they to be imposed to countervail protective duties. To impose countervailing duties in order to neutralise the indirect sugar bounties would therefore be to take the first step in reversing that Free Trade policy which was adopted on the clearest ground of argument and has conferred immense advantages on the industrial classes of this country." (Opposition cheers.) The last high-priest whom I shall quote is the *Times*. When the decision of the Board of Trade in regard to sugar bounties in 1880 was announced the *Times* wrote: "This is the language of common-sense and common honesty. Whatever can be done consistently with sound principles to induce foreign Governments to abandon these foolish devices of bounties on the export of sugar or on the manufacture of sugar the Government are prepared to do. Beyond this they cannot stir. The truth is that there is not a single argument in favour of countervailing duties which was not advanced long since in favour of the sliding scale—of an 8s. fixed duty and of the navigation laws."

Sir H. VINCENT: What is the date of that article?

Sir H. FOWLER: The 5th of November, 1880. (Laughter.) That was the last time the sugar bounty question was under discussion in this country. One word as to the position of Germany. Austria we know buys from India precisely the same amount that she sells to India. But Germany buys from India 7½ millions of rupees worth of goods, and sells only 2½ millions worth of sugar. Therefore this trade is clearly to the advantage of the people of India if the imports of Germany are sold to India at less than the cost price, while the exports of India to Germany are sold at the full price. (Cheers.) The other great bounty country is France. I think that the French bounty is more than double the bounty given either in Germany or Austria; but why do not the French have a monopoly of the market? In conclusion, I have to say that this policy is a violation of the principle of Free Trade, that it is the first step towards reversing a policy which has been of some advantage to us, and it can confer no benefit on India. If it succeeds it will stereotype antiquated processes of manufacture and machinery, and it will deprive India of that fair competition which should be the best stimulus to increased production and manufacture. (Cheers.) Can you stop here? Can India stop here? The Viceroy has an absolute power to impose protective duties on everything he may consider desirable. Can we stop here? because if this policy is good for India it is good for England. (Cheers.) If it is right that the sugar planters of Mauritius should be protected in the Indian markets from competition by the sugars from Austria and Germany it is right that the sugar planters in the West Indies should be protected in the markets of Great Britain from the same competition. (Hear, hear.) Is that what you mean? I say to the Colonial Secretary, "Have the courage of your convictions and act accordingly." (Cheers.) Let the First Lord of the Treasury make the announcement that that is the policy of her Majesty's Government—(cheers)—and I think he would scatter to the winds that listless apathy which we are told prevails in the political world. Let the Chancellor of the Exchequer, as the Finance Minister of Great Britain, say that he accepts the economic doctrines of the Viceroy of India and the hon. member for Central Sheffield. Let him say that, and he will be within a measurable distance of that haven of rest and repose and freedom from official responsibility for which he so feelingly pleaded in his last utterance to his constituents. (Laughter and cheers.) No, Sir, right hon. gentle discussion... mean, and will not take, that fatal plunge. I will it clo ou why. Because they know—and no one knows better than the Colonial Secretary—that the constituences would not tolerate it. (Cheers.) They would not tolerate the legislative raising of the price of a great and primary article of daily consumption among the people of this country for the advantage of the planters. I say that what we cannot and dare not do for Great Britain we have no right to do in India. (Cheers.) The British nation is as responsible for the fiscal policy, for the commercial freedom, for the material progress of India as it is for its civil and military administration. It is our legitimate pride that we have wrested India from anarchy, from internecine strife, from foreign aggression. We have stamped on its government, on its institutions, on its daily life that marvellous combination of law and order, of individual freedom and inflexible justice, which are the characteristics and glory of British rule the wide world over. (Cheers.) We have adopted that policy because we knew by dear-bought and long experience that it was best for ourselves, and we believed it to be the best for that great Empire which was entrusted to our charge. (Cheers.) We have adopted the policy and we have persevered in it, although it has been misrepresented and misunderstood, and at times unpopular. We are bound to apply that principle all the way through, and the test of righteous trusteeship is that you deal with the interests of others on the same lines as you deal with your own interests in similar circumstances. For half a century this country has found it to be to its commercial advantage and to its material interests to have its trade unfettered, that our people should be at liberty, whenever and wherever they pleased, to trade in the best and cheapest markets, and, above all, that we should levy no tax except for the purposes of revenue, and should not benefit one section of the community at the expense of the rest. Our commercial history, our national prosperity, the improved condition of our people are proofs of the wisdom of that policy. (Cheers.) We know, the House knows, members on the other side in their hearts know, that the nation would resist to the uttermost any attempt to weaken or reverse that policy; and I ask the House to-night to deal with these retrograde, illusory, mischievous proposals of the Indian Government as they would deal with the same proposals if they were made to the people of Great Britain. (Cheers.)

MR. MACLEAN.

MR. MACLEAN, in seconding the motion, paid a tribute to the noble speech of the right hon. gentleman, and said that there was not a word of it from which he dissented. He had been told that this was a motion of censure, and that it was wrong for any one on the Government benches to second a vote of censure on the Government. But the motion had only taken the form of a vote of censure because the Government had resolutely persisted in denying hon. members any opportunity of raising a debate on the question on its merits

during the last three months. His knowledge of India enabled him to appreciate the far-reaching consequences of legislation of this kind. He had persisted in putting questions to the Government day after day, and the leader of the House, instead of giving him an opportunity to raise the question at a time when perhaps the passing of this legislation might have been stopped altogether—certainly at a time when further inquiry might have been granted in India—answered him in language of scarcely veiled mockery that he was exceedingly anxious to bring on this debate, but that really he could not find the time for it. (Opposition laughter.) What! Not find time to discuss a subject involving the commercial policy of the British Empire—(Opposition cheers)—when hon. members were dragged to the House day after day and week after week to waste their time on puerilities of legislation which were hardly worth their attention. (Opposition cheers.) He sent a message to the leader of the House through the right hon. gentleman's private secretary two months ago offering, if the Government desired, to show a way in which the Government could get out of what he looked upon as a grave departmental blunder without casting any discredit on the Viceroy or weakening the authority of the Government of India. The right hon. gentleman did not take the slightest notice of that communication. He mentioned this fact in order to show that he was justified in the action he was now taking. He had not taken this step without consulting his constituents. He had been twice in Cardiff, and he had fully explained his views on the subject. He had addressed the Chamber of Commerce, and from that day to this not a whisper of remonstrance had reached him from any person in Cardiff against the action he was now taking. He was, therefore, entitled to say that the whole of that constituency, whether Conservative or Liberal, were united as one man in giving him a free hand on this question. He wondered, however, whether that was the case with hon. members representing other important constituencies. He wondered what the leader of the House had to say to the resolution passed within the last day or two by the Manchester Chamber of Commerce? (Opposition cheers.) The Chamber of Commerce included a large number of the right hon. gentleman's political friends, and the resolution said:—"It is the opinion of the Board that the policy adopted by the Government of India, with the approval of the Government at home, in levying countervailing duties on sugar imported from bounty-giving countries is opposed to the interests of the people of India, constitutes a dangerous precedent calculated to lead to the adoption of a similar policy in the United Kingdom and to demands which cannot be consistently resisted for the establishment of countervailing duties in several other directions, and without a departure from the principle of Free Trade." He left the right hon. gentleman to settle that matter with the constituency which he represented. He did not believe there was a single Minister who, having seen the effect this agitation had had in familiarising the people of England with the true consequences of this policy, would rise in his place and propose countervailing duties in this country. That at least was one thing the present agitation had done. Countervailing duties in England were henceforth as dead as bimetallism. (Opposition cheers and laughter.) It was impossible for him to believe until the publication of the Blue-book that the Government as a collective body were in favour of the policy of the noble lord the Secretary of State for India; but as soon as the Blue-book appeared it became perfectly obvious to all the world why this law had been introduced and passed with so much indecent haste by the Council of the Viceroy. (Opposition cheers.) There was not the slightest doubt that it was the influence of the right hon. gentleman the Secretary of State for the Colonies which supplied the India Office with the motive power necessary to pass this legislation. He did not question the noble lord's sincerity in the matter, but he said the energy with which the noble lord pursued this policy only dated from the moment of the intervention of the right hon. gentleman the Secretary for the Colonies. (Opposition cheers.)

Lord G. Hamilton: The hon. gentleman has no authority for making that statement. It is absolutely untrue. (Cheers.)

Mr. Maclean said he was only speaking from what appeared in the Blue-book. The first occasion on which the right hon. gentleman the Secretary for the Colonies interfered was in July of last year. Within a month, on August 25, the Secretary for India wrote to Lord Elgin and his Council urging them to make fresh enquiry in the interest of the colony of Mauritius. In January there was a change of Viceroy, and once more the Secretary for the Colonies came to the front and wrote to the noble lord to say what he thought ought to be done in India. He really could not understand why the right hon. gentleman should think it necessary to interfere in Indian affairs. (Opposition cheers.) Was he pining for a new world to conquer? Had he not already a sufficient sphere of influence? (Opposition cheers.) Surely Africa was large enough to satisfy the ambition of any man, however overweening that ambition might be! At any rate, one would have thought that before the right hon. gentleman interfered in the affairs of India he would have settled his little differences with President Kruger—(Opposition cheers and Ministerial cries of "Oh!")—in which direction his policy had apparently not been so successful as he might desire. (Opposition cheers.) The despatch written by the right hon. gentleman on January 7 showed the power he wielded at the India Office. In that despatch the right hon gentleman desired the Secretary for India to bring to the special notice of Lord Curzon of Kedleston "two important questions affecting the island of Mauritius," and proceeded to say that the interests of the sugar-planters of that island might be destroyed—he actually spoke of their ruin being probable—if some changes were not made in the sugar tariffs of India. There was absolutely no foundation for any statement of that kind. The statistics showed that the industry had never been in the smallest danger and had always found an excellent market in India. The Secretary for the Colonies spoke of his own personal views. The House had nothing of course to do with the right hon. gentleman's personal views so long as they were not embodied in Acts of legislation or administrative proceedings which were likely to bring damage to the Empire. The right hon. gentleman was perfectly at liberty to keep them to himself. (Opposition cheers.) He was not quite sure what the right hon. gentleman's personal views were on many subjects, but he was inclined to think the right hon. gentleman took his foreign policy from the hon. member for the Ecclesall Division of Sheffield and his views on political economy from the hon. member for the Central Division of Sheffield—(Opposition cheers and laughter)—and those views were not likely to commend themselves to the House of Commons or the British people. They might be fit views to be taught in the new University of Birmingham to the sons of Liberal Unionists—(laughter)—but he did not think they need concern themselves with them in the House of Commons. At the end of his despatch the right hon. gentleman said that "he has more than once declined to allow colonial policy on commercial questions to be tied by the policy for the time being of the mother country." The right hon. gentleman forgot that India was not a self-governing colony at all, but a dependency of the Crown. India was bound more closely and intimately to the mother country in matters of commercial policy than any other part of the Empire, and, if the House of Commons was to act in the interests of India, they ought to watch constantly for the application of the principles they had laid down for the mother country. Having received that despatch, the noble lord at once took action. A good deal had been said as to the conduct of the Viceroy in this matter. In his opinion, he was very much to be pitied for the position in which he was placed. He had just been appointed to the highest administrative position in the service of the Crown. A new law was pressed upon him in a series of telegrams repeated day after day. At first Lord Curzon asked for more time, but, this not being given, loyal to the Government at home, he proceeded with some impetuosity to give effect to their wishes. In fact the Government of India were given no rest until the law was passed. Introduced on February 10, it was passed on the 20th, time not being given to send copies of the Bill to different parts of India and receive replies by ordinary post as to the impression it made on the public. He had never heard of such indecent haste to carry a measure since Richard III delayed his breakfast until he had the head of Lord Hastings before him. (Laughter.) Lord Curzon said he would not go to Simla until the Act was passed. Much was said of the Legislative Council, and some people might imagine a deliberative assembly something in the nature of the House of Commons, but of course the Council was nothing of the kind. The Viceroy sat in Council, surrounded mostly by courtiers, and there, like Cato, he

> Gives his little senate laws
> And sits attentive to his own applause.

Most of the members were courtiers of the stamp of those gentlemen who first denounced countervailing duties under Lord Elgin and then approved them under Lord Curzon. (Laughter.) Human nature being pretty much the same in all ages, these gentlemen followed the doctrine of the Vicar of Bray. A noticeable change had come over the once proud independence of Indian Civil servants, due perhaps to the extremely lavish distribution of honours and decorations by the Government in recent years. Modern Governments had found in these honours a more potent instrument of social corruption and and political degradation than Walpole ever dreamed of. These were the men who for the most part formed the Council of the Viceroy. There was one member—a Parsee barrister—who pleaded for time for consideration and suggested that the Bill should be allowed to run its usual course through Select Committee, but remonstrance was disregarded, and the Government insisted that the Bill should pass immediately at all hazards, though public opinion was against it. Even provincial Governments largely under the control of the supreme Government were, most of them, opposed to the introduction of the law. The remarks of Sir Anthony Macdonald had been referred to, and he was willing to pay every attention to the advice of that distinguished servant of the Crown, but the views he expressed in Council were purely hypothetical, for he said, "if" the production of sugar was injured and "if" the revenue suffered; but it had since been shown that cultivation had not fallen off, and everybody who knew India knew that the people of the country consumed nine-tenths of the production, and he believed India could grow enough sugar to supply the whole world.

Lord. G. Hamilton: Hear, hear.

Mr. Maclean said India would produce more under the stimulus of competition than under this law. The Viceroy, judging from his speeches and despatches, thought he had a sort of Divine mission to encourage the native industries of India. On March 20 he assured the Council that the Bill was backed up with a weight of opinion which for quality and homogeneousness had never been equalled, and though that was not so he would not repeat the offensive word of the noble lord (Lord G. Hamilton) and say it was untrue. Lord Curzon had not the intention to deceive the Council, but he could not then have seen the despatch from the Government of Bombay protesting against the introduction of the law, and was aware that the whole of the mercantile community in the Presidency, Native and European, were opposed to the introduction of countervailing duties. Putting aside the "inspired" articles, which were but the echoes of the speeches of Ministers, the Indian newspapers which had carefully examined the question had declared against the duties, and he quoted the *Times of India* in support of his statements. Who were the real authors of this legislation in India? In one of the earlier despatches reference was made to a memorial from sugar refiners in the North-West Provinces, and naturally one would expect to find among the names those of Native merchants; but all who signed the petition, or nearly all, appeared to hail from north of the Tweed, and their views were similar to those held by a deputation from Greenock and Glasgow who recently visited London with a desire to convert Ministers and public opinion in favour of similar legislation for the United Kingdom. These gentlemen had sympathies only for the interests of refiners on the Clyde and cared nothing for consumers. This was exactly the position of those who sent the memorial to the

Government of Bengal. With good machinery and skilled labour they could turn out a better article and get a market for themselves, but this they would not do until stimulated by foreign competition. The noble lord laughed just now when he suggested that foreign competition was a good thing.

Lord G. Hamilton said the hon. member was referring to bounty-fed competition.

Mr. Maclean said this point was one of some importance. We had forced Free Trade upon India, but he believed Free Trade had been a very good thing indeed for India, and had conferred immense benefits on the people of that country as well as on the people of this. There was no want of money or enterprise in India, and it was not the fact that when the necessity was forced on the people for finding a new market for the products of Native industry they were incapable of rising to the opportunity. What had they done with their cotton, always under the stimulus of very forced and unrestricted competition? Manchester goods practically killed the famous hand-loom enterprise of India, but the Natives had not been behindhand in adopting modern methods, and there were no more successful cotton mills than were to be found in Bombay and a number of other places at the present moment. With the goods they turned out from short staple cotton they had successfully beaten Manchester out of the market. That had been done with Free Trade. The great tea industry of India had beaten China out of the English market. Had that trade been built up by Government protection and artificial aid? When he first went out to India coal was only used within a few miles of the pits in Bengal from which it was obtained. Indian coal was now used on all the 20 odd thousand miles of the Indian railway system and by all the steamers running from Bombay as far as Suez, and but for the heavy dues it would be used beyond Suez. It had beaten the English coal almost entirely out of the market. All this had been done without Government protection and against the powerful competition of English coal. Then there was the success of Indian beer as against the competition of both English and German beer, and there were innumerable other industries in which the Indians had shown themselves quite alive to the necessities of modern industry. The most remarkable illustration of the really good working of Free Trade in India was afforded by the oil trade. In the old days every town in India was lighted with little lamps containing cocoanut oil. Paraffin oil was introduced by the Americans and sent out in tins, and this speedily took possession of the whole market. It was afterwards supplanted by Russian oil, which, with the help of English capital, was stored in reservoirs and sold by measure to the people. The Russians now had nearly the whole of the trade of lighting India. Would not this have been a magnificent opportunity for a Viceroy who thought it his ambition to save the industries of India to say, "We will not have the immemorial cocoanut-oil lamps extinguished"—(laughter)—"we will not give this vast trade to our natural enemies, the Russians"? But the result of the introduction first of the American and then of the Russian trade had been that the native growers of oil seeds were forced to find another market for their products; they discovered that these vegetable oils were the very best that could be used in all the great machine works in Europe, and now all their oil seeds were in greater demand than ever, and these oils fetched a higher price than ever they did before. That was a splendid example of the natural working of free trade, and of the advantage that freedom of commerce gave to the people. (Cheers.) Free trade would never have been adopted by the Natives themselves, but the more intelligent Natives were satisfied that the present system was the best thing England could possibly have given them. With regard to the constitutional point which the right hon. member for Wolverhampton had touched upon, the noble lord the Secretary of State seemed to have formed a radically false conception of his powers and his responsibility to that House. When he himself had put a question to him on this subject the noble lord retorted in tones of some asperity—asperity which might have kindled resentment in his bosom if those below the gangway were not used by that time to

> "The insolence of office, and the spurns
> That patient merit of the unworthy takes."

(Laughter and Opposition cheers.) The noble lord practically told him to mind his own business.

Lord G. Hamilton: No.

Mr. Maclean said he was not giving the exact words, but the noble lord said he had told him more than once that he declined to interfere with the expression of opinion and the determination of the Government of India upon a question of this kind.

Lord G. Hamilton: The hon. gentleman put a question to me to this effect: Would I lay this Bill on the Table of the House?—for the purpose, of course, of putting questions and founding motions on it; and as it was under discussion in the Indian Legislature I replied, as every Secretary of State would, that I declined to interfere with the functions of the Indian Government. (Hear, hear.)

Mr. Maclean said that was where the noble lord made what he conceived to be a very great mistake. The Indian Legislature had no independent position; it had only delegated powers from that Parliament. What was the position of the noble lord towards the Indian Government? It was very clearly defined in the despatches written by Lord Salisbury when he was Secretary of State for India in 1876. Lord Hartington had taken off the cotton duties in order to put Manchester and India on an equal footing, and the Indian Government, at the time strongly protectionist, claimed that they had a right as an independent Legislature to pass any tariff laws they chose. Lord Salisbury absolutely declined to give this power, and one excellent reason he gave was that unless there was complete unanimity assured beforehand between the House of Commons, represented by the Secretary of State, and the Indian Government, there was no security for the maintenance of the Viceroy's authority in India, which would receive rude shocks if the decision of the Government of India were frequently challenged in that House. It was, said Lord Salisbury, impossible for the House of Commons to part with its control over Indian finance, and the power was specially reserved to the Secretary of State for India to represent the House of Commons in tariff matters and never to let any change in the Indian tariff be introduced without his assent. He thought the power which was placed in the hands of the Secretary of State imposed upon him a very heavy responsibility—(hear, hear)—and he ought to take special care that no sudden or rash change in the settled commercial policy of this Empire was introduced in the Legislative Council of India unless he was assured of the support of the House of Commons, whose servant he was. (Opposition cheers.) It might be said that the House, if it did not approve of his conduct, had the right to remove him, but that was not enough; they knew that if they were to remove the noble lord they would only have another noble lord put in his place. (Laughter and Opposition cheers.) He denied that it was any advantage to them, after the Secretary of State had had the opportunity of throwing India into confusion and of giving a rude shock to the authority of the new Viceroy from which he would never recover, to have the privilege of removing him. What he condemned in the noble lord was that he never consulted the House of Commons, and never took any pains to ascertain whether an act of this kind would be supported in this country. Nearly every Minister on the Front Bench had said he was quite convinced that public opinion in this country had not been converted on the question of countervailing duties, and that therefore he would not attempt to meddle with them. Was it not a shabby device, when they dared not do this in England, to force it upon the people of India—(Opposition cheers)—and by so doing to impair the authority of that House? They knew that things could not rest were they were. He would ask his Conservative friends whether they were willing to go to the country two years hence with protection on their banners.

Sir H. Vincent: Yes.

Mr. Maclean: Some might, but not very many. (Cheers.) It was a Conservative Chancellor of the Exchequer who abolished the sugar duties twenty-five years ago—Sir Stafford Northcote. His policy had been justified by the results, and the people of England, knowing what immense industries were now bound up with the existence of cheap sugar, would never suffer that great boon to be taken away from them. He for one unhesitatingly supported the motion of the right hon. member for Wolverhampton, because it was a motion conceived in a spirit of fair play to India and free trade to the British Empire. (Opposition cheers.)

Lord G. Hamilton.

Lord G. Hamilton: I rise for the purpose of asking the House to give a direct negative to the motion that has just been made. Since that motion has been on the Table of the House various amendments to it have been proposed by members in different parts of the House. I hope those hon. gentlemen will not move any one of these amendments. The two speeches which we have heard to-night, as well as the matter to which they refer, give ample material to the House of Commons for a full night's discussion, and if any amendments such as those that appear on the paper are introduced unquestionably extraneous issues will creep into th[illegible] issue; let us [illegible] the discussion. The issue that is raised is a clear issue, [illegible] meet it clearly—(hear, hear)—and let our debate to-night be concentrated on the subject of sugar so far as it affects India. The right hon. gentleman who opened this debate and the hon. gentleman who followed him have made two speeches, the summary of which is nothing more nor less than a defence of the bounty system as applied to sugar. From beginning to end there was not a solitary allusion to the detrimental effects of the bounty system, and in the name of free trade these two hon. gentlemen get up and publicly support the blackest system protection has known. (Hear, hear.) The position of her Majesty's Government is clearly defined. We gave instructions to our delegates at Brussels—and, so far as I know, no political party has challenged the justice of those instructions—to try and secure the suppression of all bounties on sugar which they considered to be prejudicial to the general interests of the British Empire. Is anyone prepared in this House to contradict that proposition? If nobody is prepared to contradict that proposition in the abstract, then every vote given by hon. gentlemen in this House for the motion moved to-night will tender to bolster up and infuse new life and strength into this system of bounties on sugar. (Hear, hear.) Either the system is a good one or it is a bad one. If it is a bad system we are justified in having recourse to strong measures to get rid of it; but if it is a good system let us have the courage to say so openly. I am compelled, in consequence of the nature of the speeches that have been made, to indulge in a few elementary, but, I think, indisputable propositions. I have been a Free-Trader all my life. I think I am the only person in this House who has introduced legislation in India which went in the direction of Free Trade. There is at the present moment only one protective Act on the Statute-book of India, and that is an Act—I daresay a necessary Act—which was passed by right hon. gentlemen opposite when they were in office. It puts a five per cent. duty on all imports wherever the article imported competes with the Native production. I do not blame hon. gentlemen for doing that, but it is rather curious that hon. gentlemen who invite me to depart from the principles of Free Trade represent a Government which has put on the Statute-book of India the only law which is essentially protective. I believe it to be to the interest of this country and the duty of the Government of this country to promote Free Trade wherever they can, and by Free Trade I mean the principles that were taught us by Mr. Cobden and by Sir Louis Mallet. Free Trade means the freeing of trade from artificial restraint and artificial fostering, from anything that tends to raise the price of an article artificially. (A laugh.) An hon. gentleman laughs, but anything which tends to raise the price of an article artificially by a hostile tariff is contrary to the principles of Free Trade. And the converse is equally true. Anything which tends to lower the price of an article below the cost of production, by bounties or by Government aid, is contrary to the principles of

Free Trade. (Hear, hear.) The two preceding speakers did not seem to thoroughly grasp and analyse the difference between free trade and protection. The essential difference between the two is this, that the object of free trade is to try and establish by a fiscal system equality of conditions, equality of treatment, and equality of opportunity for all producers in whatever part of the world they may live, and thus, by encouraging production and increasing competition, to benefit the consumer, who gets the advantage of lower prices in consequence of the increased production; and the object of protection is the reverse—it is to establish inequality, so that the home producer always may have a certain advantage to enable him to compete with others. Free Trade and protection, therefore, are antagonistic; they are irreconcilable. These two fiscal systems are in operation all over the world, fighting one another, and the most aggressive form which protection can assume is the bounty system as associated with the production of sugar. What does the bounty system do? In the first place, the foundation of the bounty system is the drawing of an impenetrable barrier round the country in which the bounty is given, so that no sugar from outside can come in and compete with the home production. The open door is permanently and hermetically sealed. And then the door is opened in order that the bounty-fed sugar exporter may go forth and with the resources of a great system of national taxation behind him make war on indigenous industries and on the enterprise of Free Trade nations engaged in the production of sugar. It is nothing more nor less than a deliberate act of economic aggression against the principles of Free Trade. That is admitted. For twenty years past we in this country, I admit, have adopted a policy of inaction in dealing with this system of bounties on sugar. We were misled by those who undertook to lead us. Almost every prediction that they made has been falsified. I have heard to-night all the old arguments—which experience has shown us to be absolutely false—trotted out in the belief that we have forgotten our experiences of the last twenty years. The first argument was—"After all, the disturbance to the Indian industry is very slight, and it is not worth while taking notice of it." That was an argument used twenty years ago. The next argument was—"After all, it only affects refined sugar." That was an argument used twenty years ago; but the bounty-fed sugar now affects the price of raw sugar as well as of refined sugar. All the arguments that were used in the past to induce us to assent to the bounty on sugar under the idea that it was merely a phase of protection and would pass away are revived, and it is expected that, with all our experience of the past twenty years and the knowledge of these predictions falsified, we should accept them as true and on that ground censure the Indian Government. The tactics that this country has followed in connexion with the bounty on sugar, whether they were right or wrong, have immensely extended and developed that system, and it has assumed enormous proportions. The hon. member for Cardiff said that the Indian sugar industry would not prosper except under the stimulus of competition. How is cane sugar to prosper under the stimulus of competition with bounty-fed sugar? It is proved, I think, beyond dispute that cane sugar can be produced as cheaply as beet sugar. Twenty years ago the sugar duties were abolished in this country, and that change came into full operation in 1877. The amount of sugar imported into this country in that year was 20,000,000 cwt., and of that amount about 6,000,000 cwt. came from bounty-giving countries and 14,000,000 cwt. came from non-bounty-giving countries. Twenty years later, owing to the increase of population and various other causes, the amount of sugar imported into Great Britain was considerably greater, and it attained the dimensions of upwards of 29,000,000 cwt. The sugar from bounty-giving countries had then risen to 24,000,000 cwt. and the sugar from non-bounty-giving countries had fallen to 5,000,000 cwt. (Hear, hear.) This is the bounty-fed sugar which is to go to India and is to give a stimulus to cane sugar and largely increase its output. (Hear, hear.) That displacement of cane sugar is unnatural and artificial. I think all persons who watch this trade will admit that the displacement of an industry from its natural locality and the diversion of trade and commerce from its legitimate channels is a great evil to the trade and commerce of the world, because the forces that we are dealing with are what are known as dynamic forces—they are forces constantly on the move, competing with one another—and the displacement and dislocation of a trade or industry often acts and reacts all round the whole trade and commerce of the world, reducing production and limiting the exchange of commodities. (Hear, hear.) The result is that we, who are the great international traders of the world, lose by this unnatural displacement. (Opposition cries of dissent.) Hon. gentlemen have not followed my argument. I am putting on one side any benefit bounty-fed sugar may confer. (Cries of "Oh.") I say the displacement of trade and of production from its legitimate channels and its natural locality detrimentally affects the whole trade and commerce of the world. That is a proposition which I think nobody will dispute. The material displacement of cane sugar by this bounty-fed sugar detrimentally affects the production of cane sugar. No one with capital would put his money into a business which was subjected not to a fixed bounty but to a bounty that at any moment might be doubled. (Hear, hear.) Germany doubled their bounty in 1896; France responded; Austria did the same; and our representatives at Brussels pointed out that in all probability, unless some satisfactory solution of the bounty question could be arrived at, the bounties would be still further raised. I venture to say I have shown that the system of bounties is as contrary to the first principle of Free Trade as any system could possibly be. (Cheers.) That system absolutely dominates the production and consumption of sugar in Europe. It turned its attention to America, and imported enormous quantities of beet sugar into the United States; and the United States retaliated with countervailing duties. (Cheers.) We were warned by our representatives at Brussels that the stoppage of the import of German sugar in America would result in great masses of German sugar being sent to India; and that the one great indigenous industry of India would be threatened. Of the 300 million of people who live in India eighty per cent. depend for the means of subsistence on agriculture; and in the north of India, where the population is more densely packed than in any other part of the world, the sugar industry is the principle industry. Again, a large proportion of the income of the Indian Government is derived from land revenue. The direct amount paid by cane sugar to the revenue is about £1,600,000, but the indirect amount is much greater. The only question the House has to consider is this—warned as we were of the danger to India, should the Indian Government, ignoring the effect of twenty years' experience, have aggravated the very evil which we wanted to arrest, or should they have recourse to the simpler policy of attempting to frustrate the object for which the bounties are given, and thus lead to the abolition of the bounty system itself? (Cheers.) So gigantic is the production of cane sugar in India that it is far more than the production of the rest of the world, excluding China; it employs several millions of people; and the annual crop is estimated to be worth little short of 20 millions sterling. All that is wanted is the application of capital and enterprise to the sugar industry in India. What person would give one or the other if the bounty system is allowed to enter into it? (Cheers.) We had to deal with a danger which unquestionably was imminent and we had to consider very carefully what course we should adopt. A somewhat farcical account has been given by the hon. member for Cardiff of the relations between myself and my right hon. friend the Colonial Secretary and of the communications which he assumed passed between the Colonial Office and the India Office. At the beginning of last year Lord Elgin was asked to nominate a delegate to represent India at the Sugar Conference at Brussels. This was the first occasion upon which India had a special delegate of her own. In the despatch in which the Indian Government sanctioned the appointment of the delegate they forwarded certain proposals made by some gentleman in Bengal amounting to the proposal of countervailing duties; but the Indian Government said they were not prepared to sanction that proposal. The Conference met and separated without arriving at any settlement. Mr. Ozanne, the delegate specially selected by Lord Elgin to represent India at the Conference, was asked if he would write a report by the Revenue Secretary of the India Office, acting on my behalf. He replied:—"I shall of course be glad to write a report if you think it is expected of me, or that it would do any good. But after all the only point I could press on the Indian Government is the danger which India runs through an immense increase in the volume of imports of beetroot sugar. If this goes on, and it must go on if India does nothing, it seems to me clear that the sugar cultivation of India and the Mauritius will be most seriously and unjustly handicapped. If sugar-cane profits are reduced the whole agriculture of India must be upset." Recollect that agriculture is not one of many industries in India. It affects the whole industrial system of the country, and therefore, if any blow were struck at what is really the only staple occupation in India, we would be face to face with a tremendous economic difficulty the satisfactory solution of which would be almost impossible. (Hear, hear.) As soon as the Brussels Conference broke up without having come to any conclusion I addressed a letter to the Indian Council enclosing the correspondence in reference to the Conference and intimating in the clearest way that I was not satisfied with their declaration of opinion against the imposition of countervailing duties, asking them to more fully consider the matter, and in the meantime to collect further information. Simultaneously with the receipt of my letter in India the Indian public received the report that the Brussels Conference had broken up without having come to any decision, and simultaneously all over India an agitation sprang up requesting the Government to impose countervailing duties. The chambers of commerce petitioned the Government in favour of this policy, and the Indian as well as the European press of the country assisted in the agitation. Lord Curzon, as you know, was appointed Viceroy towards the close of last Session. In the autumn he spent a considerable part of his time in the India Office, consulting the various members of the House and myself. We discussed the course to be pursued in regard to the sugar bounties. The House is perhaps not aware, though the mover of this motion is, that the Revenue Committee of the Council of India have exceptional authority in matters relating to finance and expenditure. I placed myself in communication with the Revenue Committee, and was glad to find that their views agreed with mine that we should not close the door against countervailing duties if no other remedy could be found to arrest the adverse influence of bounty-fed sugar on agriculture in India. Lord Curzon came to the same view, but, knowing that the Indian Council was collecting further information, he declined to express any opinion on the subject until he had the opportunity of investigating that further information, and also of personally communicating with the members of the Indian Council who had signed the despatch objecting to countervailing duties in order to ascertain whether that opposition was based upon the investigation of the subject in India. In the meantime we got information from the Foreign Office that it seemed perfectly clear the Conference would not meet again, and that therefore there was no likelihood of their taking action for the purpose of suppressing or stopping the bounty system in Europe. We had, at the same time, information that there were immense cargoes of German sugar at Hamburg, and that the probability was that this great stock of sugar would be sent out to the Indian market. Therefore, on December 12 I sent a note to the Revenue Committee of India to the effect that, having considered the question from the Indian point of view, I saw no objection to imposing countervailing duties, and that I should be glad to hear their opinion. They replied that they had considered the matter, and that they entirely endorsed my view that the time had arrived for such duties. Accordingly a despatch was ordered to be prepared. Before it was sent to India my right hon. friend the Colonial Secretary forwarded me two letters from Mauritius, referring to the same subject, and as I thought it was most desirable that the Indian Government should know that the Colonial Office was of the same mind, I had the letter addressed to India altered and enlarged, so as to include the two letters from Mauritius. That from the beginning to the end was all the pressure that the Colonial Secretary exercised on me in the matter—(laughter and cheers)—and therefore

when the hon. member for Cardiff gave his farcical description of the affair I said there was not a word of truth in it. (Cheers.) In consequence of the delay which was caused by this despatch having been kept back Lord Curzon was not likely to have proceeded till the beginning of March. Every one was agreed that, if it became necessary to legislate, legislation should be proceeded with at once. Three weeks after Lord Curzon received that despatch I telegraphed to him asking if he would be able to legislate this Session, because the Council broke up towards the end of March, and it was desirable, if he thought legislation necessary, that the Bill should be passed this Session. He replied that he and his Council were ready to proceed, the Bill was introduced, and passed rapidly through the Council, and it has received a greater amount of support in India than any legislation or any act the Government had done for many years past. (Cheers.) It is quite true that there was only an interval of three days between the receipt of the announcement of Lord Curzon's intention to legislate and the reply of the Government. But the Council had been consulted, and is it likely that we should have arrived at what I admit to have been a momentous decision until we had carefully considered in advance the whole question? (Cheers.) The reason why we were able to take such prompt action was that the subject had been for months previous before the Government, who had already decided on the absolute necessity of taking action in India. This, from beginning to end, is the simple history of the procedure in connexion with this Bill, and I venture to say that throughout we have been actuated by one motive only—how best to serve the interests of India. (Cheers.) The right hon. gentleman undertook some little time ago the charge of a committee which was formed to consider matters connected with the finances of India. It required some courage on the part of the right hon. gentleman to undertake so laborious a part with the certain knowledge that whatever way the committee reports he is certain to be abused. Now, my strong impression is that that committee will establish a rate of exchange between England and India which will enable India to take full advantage of her own resources and the great financial resources of England. There is an enormous amount of English capital which can be properly and legitimately invested in India—(cheers)—and, therefore, if the right hon. gentleman were to succeed in carrying his motion to-night, and bounty-fed sugar thus allowed to exercise its detrimental effects in India, he would counteract one of the most important results of the report which I hope he will shortly produce. There is an enormous and ever-growing population in India. It is calculated that there something like 70,000,000 people have been added to the population during the last twenty years, and the only hope in any way to satisfactorily deal with this enormous population is to do everything possible to induce English capitalists to invest their money in India. Unless we can do so the economic problem is incapable of solution. What is the objection to the legislation which we propose? If the bounty system as applied to sugar be sound in itself, and if, as the right hon. gentleman and the hon. member for Cardiff seem to wish, the House expresses its approval of bounties as applied to sugar, they will effectually prevent anybody from taking measures to suppress the system. (Cheers.) The staple support of agriculture in India is the sugar industry; it stands in much the same position as the steel and iron industry does in this country. Suppose for a moment that foreign Governments were to apply the bounty system to the manufacture of steel and iron and, with the long hours which they work and the lower wages, foreign manufacturers were to make a determined attempt upon the mainspring of our industrial supremacy in Europe, and if they were to devote the sums of money they devote at present to sugar bounties—it is perfectly certain that they can make a great inroad in the steel and iron industry. In that case would the right hon. gentleman like to go down and address his constituents at Wolverhampton, the headquarters of the industry, and use the language he had used in connexion with bounty-fed sugar? What popular constituency would tolerate the idea that they were to be deprived of their employment not by fair competition, but by Government subsidies, and to be told that, after all, it was the consumer who had to be consulted, and that there was no remedy whatsoever? If any such condition of things prevailed, I believe that the whole producing population of this country would combine and insist upon the Government sweeping away the bounties. (Cheers.) If, then, you would, under similar conditions which exist in India, be forced to take some strong measures to arrest the pernicious development of the bounty system when applied to a staple industry at home, why not act towards India as you would towards yourselves? But then I am told that countervailing duties are a violation of the principle of Free Trade. I think the two preceding speakers have argued that they are contrary to our fiscal system, which during the past fifty years has brought such extraordinary prosperity to these islands. They seem to forget that countervailing duties have for fifty years past been part and parcel of our fiscal system, and that they have been applied to that particular commodity from which we derive the largest amount of income—namely spirits and beer. All foreign spirits which are imported into this country pay a duty of 5d. per gallon more than the home product, and there is also a differential duty upon beer. What is the origin of these duties? Who are the black Protectionists responsible for them? They bear the names of Cobden, Sir Louis Mallet, and Gladstone. (Laughter and cheers.) When Cobden negotiated the treaty with the French in 1860 one of the inducements which was offered the French Government to reduce the duties upon English goods exported to France was the expectation that French spirits should be allowed to come into this country on exactly the same duty as was paid by home-made spirits to the Excise. In the discussion which took place upon the treaty it transpired that the Excise system in this country was much more rigorous than the French system, and accordingly the French Government, to compensate the British distillers, agreed to an additional duty of 2d. being imposed upon all spirits imported from France. The matter affected a large and important industry, and when the terms of the treaty became known the British distillers got up an agitation and sent a deputation to Mr. Gladstone to point out that an extra duty of 2d. was not sufficient and to demand that it should be raised to 5d. After some negotiations the extra duty of 5d. was agreed to. The section of the treaty in which the surtax of 2d. is struck out and fresh terms negotiated reads as follows:—"Since the ratification of the said treaty the Government of her Britannic Majesty have ascertained that the surtax of 2d. a gallon is not sufficient to countervail the charges with which, in consequence of the operation of the laws of Customs and Excise, home-made British spirits have now to contend; and that a surtax limited to the rate of 2d. a gallon would still leave home-made British spirits subject to a differential duty in favour of foreign brandies and spirits. Consequently the Government of her Britannic Majesty, having represented these circumstances to the Government of his Majesty the Emperor of the French, and his Imperial Majesty having consented that the amount of the said surtax shall be increased, the two high contracting parties to the said treaty of commerce do, by the present additional article, agree that the amount of such surtax shall be 5d. a gallon; and her Britannic Majesty engages to recommend to Parliament the admission into the United Kingdom of brandies and spirits imported from France at a duty exactly equal to the Excise duty levied upon home-made spirits, with the addition of a surtax of 5d. a gallon." Therefore you will see the distillers had the advantage. I admit there is a little difference between the two cases—(hear, hear)—but what hon. gentlemen have got to show is that there is such a vital difference between the duty which is imposed to countervail the advantage to the foreigner and the duty imposed to countervail the advantage on the other side as to justify them in still calling Gladstone and Cobden Free Traders and Lord Curzon and myself Protectionists. (Ministerial cheers.) In an eloquent passage at the conclusion of the speech of the right hon. gentleman he alluded to the enormous benefits which Free Trade has conferred upon this country, and he referred to the open port or the open door. I quite agree that the object of the open port or open door is to encourage competition and production all over the world by letting traders know that when once they are inside that door they will meet other producers on terms of equality. What is the object of a bounty? It is that a foreigner may proclaim to the whole world that although the door is wide open when you get inside, as regards that particular commodity, you shall not meet on terms of equality. Therefore to advocate keeping the door open and at the same time to advance a system of bounties is to set two contrary influences at work which counteract one another. (Ministerial cheers.) Since this subject has been under discussion I have been the recipient of a very large amount of literature. (Laughter.) My hon. friend the member for Cardiff is quite confident that I have totally misrepresented public opinion in India. I do not know what authority he will accept as an adequate one upon that subject, but many years ago he made a just reputation as the able and active editor of the *Bombay Gazette*. I do not know whether he will now accept that paper as an accurate representation of Indian opinion.

Mr. Maclean: Oh, dear, no; I have nothing whatever to do with it now. (Laughter.)

Lord G. Hamilton: On April 27 the *Bombay Gazette* contained an article in which, referring to Mr. Maclean, it said that never was a shrewd public man more grievously mistaken; the European and Native community of Bombay was in line on this point with the rest of India, and that the unanimity left nothing to be desired. (Ministerial cheers.) When I turn to English public opinion I do not think there is a single large representative body in this country which has discussed this question, with the single exception of the Manchester Chamber of Commerce, which has not supported the Government in the action they have taken. The Chambers of Commerce of London, Liverpool, Edinburgh, and Glasgow, representing the great commercial and shipping interests, have strongly supported us. Manchester is against us. Well, I think Manchester and Manchester Chamber of Commerce ought to be ashamed of themselves. (Laughter, and Ministerial cheers.) Three years ago the Chamber of Commerce bombarded me night and day in order that I might give to them as against the Indian cotton spinners equality of treatment. I was not so much influenced by that as I was by my conviction that the request was a just one. I look with great alarm on the spirit of antagonism which has grown up between two great industrial communities engaged in producing the same commodities—one in Bombay and one in Manchester. I was desirous of establishing conditions under which they could compete on equal terms for the benefit of the consumer. Well, I succeeded in establishing that equality and met with much obloquy, and now the Manchester Chamber of Commerce, having got that which three years ago they demanded, ask me to refuse to the sugar producers of India the very benefit that they asked for themselves. (Ministerial cheers.) From whatever point of view you look at this question, whether you look at it from the economic or the Imperial or the Indian point of view, prudence, expediency and justice all combine to support the proposal we have made. (Loud Ministerial cheers.) There are considerations which may be suggested in connexion with Indian public opinion which I think are well worthy of the attention of this House. We are proud of our rule in India and of the splendid work done by our countrymen. We must recollect that the extraordinary disproportion between the governing classes and the governed constitutes the great danger which ever surrounds our authority in India. (Hear, hear.) Though the risk and danger may from time to time assume a different form, it is always there. We have passed recently through a very troublesome epoch, and it is during these times that the authorities can best gauge and anticipate the nature of the dangers ahead. The weapons which maintain our rule in India are not of material force and violence; moral as well as material influences are employed, but I am afraid that whatever we do our government will never be popular in India. (Opposition cries of "Oh, oh.") I am speaking my own conviction, and I have spent a great part of my official life in India, and I state my deliberate opinion that do what you like our government never can be popular in India, but its strength consists in the confidence the people repose in our integrity and our ability to maintain peace, on which depends their moral

and material prosperity. But to attack our honesty and impugn our motives is now the object of a certain agitation in India. (Opposition dissent.) I speak what I know. (Ministerial cheers.) The House may not agree with me, but I am speaking with the full sense of responsibility. I say that to impugn our motives is the object of a certain class of agitators in India. Our policy is impugned, and every effort is made to try and associate the action and the policy of the Government with a disregard of Indian public opinion, and only a selfish regard for our own interests. Sir, I quite admit that at times it is necessary to overrule local opinion in the interests of India and of our Empire. We are compelled—every Secretary of State is at times compelled—to have something done in India which local opinion would not have done or to stop something which local opinion would have done, but the occasions on which this supreme power should be exercised are rare and are only justified by most exceptional circumstances. I had practically to overrule Indian public opinion in order to secure equality of treatment between Bombay and Manchester. That proposal only affected a limited number, but you are now dealing with a question which concerns an enormous population. The sugar industry practically covers the whole of the north of India. I have had many communications with the Viceroy on the subject. The last I received was a telegram, dated May 27, as follows:—"Superintending Engineer North-Western Provinces reports that since our Bill the area under sugar crop is rising considerably; that every petty farmer and labourer in the provinces was aware of sugar tax within few days of passing of Bill; that next to famine relief works it is the one measure of government for years past which has been understood and appreciated by the people, and that it was received everywhere with content." (Ministerial cheers.) The House is asked to cancel that legislation—and by cancelling it to destroy all the hopes and expectations that have been founded upon it —in order not to do violence to certain principles as to the exact economic definition of which no two persons agree, but principles we are supposed to have violated by a measure which I have shown to be part and parcel of the fiscal system of this country for 50 years past. The House is asked to take this step in the teeth of the advice and opinion of every authority which is constituted the governing power in India. The Executive Council of the Governor-General is unanimous in its support, and the consensus of Indian public opinion is such as I have never known in my experience, and older men tell me they have never known in theirs such unanimity. The House would be undertaking the very gravest responsibility if they venture on such flimsy grounds as have been advanced to embark on so fatal a course. (Ministerial cheers.) Therefore I commend this legislation. (Ministerial cheers.) I commend it because the Indian Government by the action they have taken have not only struck a legitimate blow in defence of their own interests, but because their action will, I think, stimulate other governments to take counsel together in order that they may put an end to one of the most vicious forms of susidised production against which free enterprises and legitimate trade and industries have ever had to contend. (Loud Ministerial cheers.)

Mr. Lough.

Mr. Lough said the noble lord had made the gravest confessions of failure that he had ever heard from the lips of any Minister in that House. Was not their rule based on popular support? The Government ought to be more candid and take the responsibility of its action. They had introduced a grave departure in legislation in India at any rate, and it was clear from the statements of the hon. member for Cardiff that the whole proceeding emanated from the Colonial Office. As to the Blue-book, it supplied, he contended, no arguments whatever in favour of the steps taken by the Government. This transaction could not end where it stood to-day. The step which the Government had borrowed from America was one of the greatest moment that had threatened the fiscal policy we had pursued for the last fifty years. We ought not to borrow ideals in this matter from America, and we should not allow the good heart of the Colonial Secretary to carry us away, for the right hon. gentleman could not prop up the colonies by protection.

Sir L. McIver.

Sir L. McIver said the House had listened in the course of the evening to several lectures upon academic subjects. He thought the time might have been more usefully employed. They were all Free Traders, but there were degrees in the fervour for Free Trade just as there was in the zeal of Christians. The average Free Trader and the average Christian took matters quietly and without dispute; but what he objected to was being lectured to by a self-elected priesthood, who spoke as though they had some inspired authority to tell him what his Free Trade notions ought to be. With regard to the question of bounties, he maintained that a bounty was not a legitimate aspect of trade. Bounties, he held, belonged to the class of questions which included such things as the slave trade and piracy. They were really trade piracy—an outrage and an evil thing which all honest men and all honest nations should combine to suppress. Those speakers who had opposed the Government in this matter knew perfectly well that bounties were a violation of their sacred doctrines of Free Trade. He might be told that hostile tariffs were a violation of Free Trade. So they were. But hostile tariffs were fiscal matters, and every Government should be allowed to say how it would raise its own revenues. A tariff was essentially a Government matter, but a bounty, on the other hand, was from first to last a trade matter. The bounty system was absolutely on its last legs. (Hear, hear.) Most of the bounty-giving countries were only too anxious to give them up, and if they had a really tangible excuse they would jump at it, and, once that excuse given and accepted, all the other countries would have to fall in line. The mere threat of countervailing duties on the part of this country would put an end to this piratical system without one sixpence of countervailing duties being imposed. What prevented that word being spoken, not only for India, but for the whole world? Simply and solely the virginal purity of the Cobden Club. (Laughter and "Hear, hear.") When they were dealing with the revenue of India the first thing to be remembered was that it belonged to the people of India and must be administered according to the judgment of experts on the spot. The House was informed on authority that the bounty system was injuring the revenue of India, and he was content to accept that statement. Regard, too, must be had to the feelings of the people of India. There were 586 newspapers in English and the vernacular in India, and the hon. member for Cardiff, after two months' careful preparation for this debate, had not been able to cite a single newspaper in support of his contention. There was an extraordinary unanimity in support of the Government on the part of the Press, and that he considered a very strong indication of the feeling of the people of India. Then there had not been a single petition presented against the policy of the Government from any municipal body in India, or even from the Indian Congress. Perhaps the best source from which to gather information as to the feelings of the people was the district officers, who spent their lives amongst the people and knew their wishes, and throughout the length and breadth of the land they represented this action of the Government as warmly approved of by the people. On the top of all this was the responsible Government of India deliberately making this proposal. Against all this weight of opinion were arrayed the member for Cardiff, the Cobden Club, and half-a-dozen sugar importers in Bombay. He protested against the doctrine that what was believed to be best for this country must necessarily be best for any other country, however differently situated. (Hear, hear.) He protested against this trifling with the interests of the people of India in deference to the extravagant theories of a handful of doctrinaires. In conclusion, he called attention to what he called the hollowness and unreality of the debate and the irrelevance of the arguments on the other side. It had been thrust upon the House, not because precious Free Trade doctrines were in danger or the interests of India in peril, but largely because the member for Cardiff, like the President of the Transvaal Republic, did not like the Colonial Secretary.

On the return of the Speaker after the usual interval,

Mr. W. H. Holland.

Mr. W. H. Holland said that he should support the motion. During the last few months he had passed through a by-election, when he declared against countervailing duties; and his views were endorsed by a considerable majority. It was unreasonable of the Secretary of State for India to denounce the Manchester Chamber of Commerce for sticking to its Free-Trade principles and passing the resolution which it passed last week against the imposition of countervailing duties. He was present on that occasion, and he could assure the House that the resolution was supported by Conservatives as well as by Liberals. Bounties were, no doubt, bad in principle; but it was not for those who derived advantage from them to complain, but rather for those who had to pay them. Germany, Austria, Belgium, and Holland were all willing to abandon the system if France would do likewise; and, though France was unwilling to abandon bounties, she was reducing them in amount. The reduction had been considerable, because of a deficit of four million francs caused by the bounty system. The evil of the system was recognised at the Brussels Conference, and without the help of countervailing duties it might be anticipated it would not last much longer. Why should we in this country wax indignant over bounties when our working classes benefited by them to the extent of three-quarters of a million a year, when our cottager could get for 2½d. a pound of sugar for which a French peasant paid 6d.? The Blue-book lately issued entirely failed to justify the Government policy, and every page of it showed it was a policy hatched at the Colonial Office and forced on the Indian Government. It was clear that such opinion in its favour as had found expression in India was manufactured opinion, but those who would be penalised by the operation of the Act would be the poorer people whose voices had not been heard. To many industries in India sugar stood in the position of raw material, and it was an axiom of the successful trader that he must buy his raw material in the cheapest market. Sugar was not the most important crop in India, nor had it suffered the most. The acreage under pulse had been reduced 7½ per cent. and was grown over 78 million acres; rice had been reduced in cultivation 4 per cent., oil seed 18 per cent., wheat 12½ per cent., and sugar only 10 per cent. Of course manufacturers wanted protection, but when the sugar refiners in the North-West Provinces made a profit as they did of 10 per cent. over a series of years they did not need protection. As regards Mauritius the case was given away by a recent report which showed the year 1898-99 was one of the best for the sugar trade the colony had ever had. These countervailing duties were far removed from Free Trade, they restricted trade and raised the price to consumers, evils that Free Trade was designed to combat. The passing of such legislation as this would inflict a lasting injury on Free Trade, and the policy of retaliation which was now recommended by the Government was childish in the extreme.

Mr. Wylie.

Mr. Wylie said he had given notice of an amendment to the motion of the right hon. member for Wolverhampton to the effect that "in the interests of India and of Free Trade throughout the world, this House approves of the Indian Tariff Act, 1899." In deference to the request of his noble friend the Secretary of State for India he did not propose to move that amendment, but in speaking in support of a direct negative he hoped to be able to show that this Tariff Act was not only in the interests of India but also of Free Trade. He was himself a thorough supporter of Free Trade in its widest sense. With Ruskin he would like to see trade amongst the nations as frank and free as honesty and the sea winds could make it, and he agreed that protection endeavoured to enable one country to compete with another in the production of an article at a disadvantage. In the production of sugar the question at issue was whether European

countries with beet or other materials could produce sugar better or cheaper than could tropical countries with cane. On this point there need be no dubiety whatever; statistics showed that the advantage was altogether with the tropical country, notwithstanding the fact that beet sugar had been enormously subsidised by State protection and cane sugar had been subjected to the benumbing influence of a system which had repelled capital. The only advantage we had derived from the present system was that we had got cheaper sugar. What had cheap sugar done for us? It had crushed out and supplanted a great many of the much more wholesome products of our own country, and it had almost destroyed the sugar industry of the West Indies, and the sugar industry of this country. No other country in the world would have stood by and seen its colonial and home industries crushed out by an iniquitous system of protection when it had the means ready at hand to prevent it. The same process had now begun in India, and the very same arguments were being applied to that country which were current twenty years ago. Sugar was one of the most prominent and prosperous industries of India. He was glad that the feeling of this country was now in favour of countervailing duties which would give us a fair field and no favour. He congratulated the Secretary of State for India on having the courage of his opinions, and on having resolved that the interest of India should not be sacrificed, as the interests of a large section of the trade of this country had been sacrificed, by allowing an iniquitous and unjust system of protection to continue. He supported the action the Government had taken, because it marked a new departure in the policy of the Indian Government which would have a most beneficial effect on that country and enable it to retain a splendid industry which would otherwise be taken from it.

Sir C. Cameron.

Sir C. Cameron said he entirely agreed with the action of the Government in this matter. (Hear, hear.) What had struck him in the whole course of this debate was the absence of anything like a reference to the ancient history of this question. Twenty years ago he supported the right hon. gentleman, now the President of the Board of Trade, in moving for a Select Committee of that House to enquire into the whole question of our sugar industries and the best means of remedying their depression, and one of his arguments in support of the appointment of that committee was that one Government after another had been denouncing bounties, and had taken every step in their power but the right one to get rid of them. He quoted extracts from speeches of Mr. Gladstone to show that he would have endorsed the action that had now been taken, and he gave the present Government great credit for having at last taken one effective step in this matter. Countervailing duties were common in our fiscal system. They were imposed against several foreign imported articles, and this was not done for the purposes of revenue, for the amount produced by these duties was exceedingly small. At last the Government had taken a practical step, and with such an array of anti-bounty men in the Ministry he was glad to think that they had at length put their hands to the plough. He hoped that the course taken in India would be followed by a definite policy at home, and an end put to a mischief which statesmen for the last 40 years had deplored and protested against.

Mr. Courtney.

Mr. Courtney said he had listened with great admiration to the speech of his noble friend the Secretary of State for India, which had the great merit of being a resolute attempt to grapple with all the elements of the problem. It was a good, thorough argument addressed to the action which the Government had undertaken, and if any good argument could prove the excellence of their conduct in instigating and supporting what had been done at Calcutta his noble friend's speech ought to do that. But he was not persuaded that his noble friend did accomplish that. He began by laying down the principle that bounties and protective duties were alike hostile to Free Trade. That they were both hostile to Free Trade he at once admitted; but if the word "alike" meant that they were hostile to Free Trade in the same manner and to the same effect he differed from his noble friend, and he would venture to say that it was from want of appreciation of the fundamental distinction between the operation of bounties and protective duties that his noble friend had failed in establishing the conclusion he submitted. Both bounties and protective duties did interfere with the natural course of trade; both were hostile to the principle of Free Trade; but they operated in a very distinct and different way. A bounty was something which the Government or nation paying it imposed upon itself, but other countries dealing with that nation in that commodity in respect of which the bounty was given were primarily benefited by it. A protective duty, on the other hand, failed entirely to benefit the country which imposed it or the country hit by it. It punished both, whereas a bounty was a punishment on the country which imposed it and a benefit to all other countries. Those who understood what Free Trade meant, the bringing into the country of a commodity at a cheaper rate, which necessarily displaced some previous producer—those who failed to understand that had never really grasped what Free Trade meant. They were getting their wants satisfied at a cheaper rate, and therefore they benefited, and the displacement which followed was a necessary consequence in every movement in Free Trade. That, he supposed, would be an interference with trade. (Laughter.) It would spoil the agriculturist and it would interfere with the millers and the bakers. (Laughter.) He had allowed that bounties were an interference with trade, and he was quite willing to allow, in the language of Mr. Gladstone, that they could not regard bounties with favour—they looked upon them with disfavour because they interfered with the free course of trade throughout the world. From a cosmopolitan point of view they would all desire to do away with bounties.

Sir Howard Vincent: Hear, hear. (Laughter.)

Mr. Courtney: Yes, but my hon. friend does not understand the elements of the problem. (Laughter.) He (Mr. Courtney) was admitting that in a cosmopolitan spirit it would be well that they should try and do away with bounties, that they should try to persuade other nations to do away with this pernicious system—(hear, hear)—but we could only do that at some cost and sacrifice to ourselves, because they must bear in mind that we were benefited and not injured by the bounties given by other nations, and they must be sure that in doing away with this they did not produce a still greater evil. Their greatest predecessors were against making the attempt to counteract by import duties bounties which we receive from the unwisdom or even the tyranny of other people. He called to mind the question which was raised in connexion with sugar cultivated by slave labour. That appealed to the conscience of the nation—that sugar produced in slave countries was produced under conditions which caused it to be cheaper than it could be produced in free labour countries; and therefore it was said we ought to impose a differential duty to negative the advantage which the slave-owing country enjoyed from the existence of slavery. But Sir Robert Peel, Lord John Russell, Mr. Cobden, and Mr. Bright refused to make any such admission, and afterwards it appeared that practically they were right, because it was discovered that slave labour was not cheaper than free labour. (Hear, hear.) The objection which was suggested by the analogy to which he had referred was that they really could not measure the practical effect on the price of a commodity by what was put on by another country. (Hear, hear.) Only about a week ago he met an intelligent Danish gentleman, and he began to talk with him about the Danish West India islands, about their circumstances and their social condition. At last he asked him about the sugar, and he replied that they did not get any sugar there at all—they used to get it. He asked the Danish gentleman where his country got its sugar, and he replied: "From our own beet." So without any bounty in Denmark beet had beaten cane. (Laughter, and "Hear, hear.") The result was that they had made more capable, industrial, energetic employers, men who worked on the spot; and they got greater ingenuity. So that if they thought that nulifying the bounty would in this case re-establish trade they would altogether fail. (Hear, hear.) He should be glad to see bounties abolished, and he should be glad if he could cure the countries of what was worse—the international jealousy which underlies all this stealing of trade from one another. (Hear, hear.) But his main objection to this plan was that instead of curing the root of the evil it intensified the evil. They made foreign legislatures think that what they were doing was a good thing. They made them think that this country was injured by it, and that therefore they must gain, and so they went on. It was an evil system, and they were going to make it more and more inveterate. After protesting against some of the remarks of the hon. member for Dumbarton as to agriculture in the West Indies, the right hon. member said after all it was a very small matter even if the whole thing were to go. They would get something else. Who would say that the people of this country were not better off with cheap corn and cheap sugar? There was the political as well as the economical question to be considered. It might be said—no doubt would be said—that on the whole his speech was that of a complete doctrinaire. (Laughter.) That was the remark always made by opponents who could not disprove an argument. ("Hear, hear," and laughter.) He had never looked on this question as one that could be solved by considerations of Free Trade alone. He recollected the case of the cotton duties—not the cotton duties dealt with by his right hon. friend three or four years ago, but the agitation of some twenty years ago, when he and his lamented friend Mr. Fawcett were both in the House together. They were persuaded that the cotton duties were bad for the people of India, but they were never very keen in that agitation because they felt that it had an ugly look for the people of India. They felt that they were sacrificing India to Lancashire, and that they must have respect to the prejudices, or the errors if they liked, of the people who were governed. In this case they were not fighting for England; they were considering the matter from the point of view of India alone. England had nothing in the world to do with it. He knew it would be said that the Council of State was unanimously in favour of these duties. Yes, but the same Council *minus* their head was unanimously against them twelve months ago. They had changed in the meantime owing to superior information and also owing to the fact that a change had been made in the Governor-General. This matter, he thought, would precipitate a very grave question—namely, the composition and character of the governing Council in India itself. They had not and they could not have under the present system of Indian organisation those elements of independence which were most desirable in the government of India. They all admitted that if this were a case of England none of them would approve of countervailing duties. If they were going to look at India as under their charge as England was they ought to apply to India precisely the same action as they applied to England. They ought to refuse there what they refused here. He paid no regard to the threats as to a vote of censure. In the first place a vote of censure would not be carried, and if it were no one could conceive that the Government would dissolve on the question. He had no fear of victory, and he should vote with his right hon. friend opposite without any fear of the consequences. (Opposition cheers.)

[*We regret that limits of space compel us to hold over the remainder of the Report until next week.*—Ed. India.]

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